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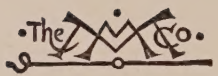
PRESENT-DAY RUSSIA



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PRESENT-DAY RUSSIA

BY

IVY LEE

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INTRODUCTION

WHEN I visited Mr. Rykov, Prime Minister of Russia, in the Kremlin at Moscow and told him that my stay there was for ten days only, he smiled and said:

> "So you are assuming to get an idea of Russia in ten days! I, as head of the Russian Government, have spent all my life here. I am in daily contact with the men who are supposed to know all about Russia. Yet, only last week we had reported to us for the first time the existence of a new tribe of Russian people of whom none of us had ever before heard."

Of course, it was too much to expect in a ten-day visit to gain any serious comprehension of the vast number of facts and the complicated problems of that great country, with its 13,000,000 square miles of territory—100 times the size of Great Britain—with its 146,000,000 people, speaking 100 different languages and representing innumerable customs, points of view, religious beliefs and historical and racial backgrounds.

Yet there is, for the moment at least, a virtual dictatorship of Russia, and this dictatorship is in the hands of relatively few men. Before the world, the views, personalities and attitudes of this small group

of men represent Russia. Even in a short space of time, therefore, one could meet with these men, talk with them and get an impression at least of their state of mind toward their own situation and toward the rest of the world.

It was to get this kind of impression that I went to Moscow. This book is an attempt to record that impression—and nothing more.

I had opportunity in Moscow to talk to most of the men who are supposed to be guiding the present destinies of Russia. I had the further privilege of having rather intimate talks with the ambassadors of the principal countries which maintain diplomatic relations in Moscow, and in addition was able to gain from the very intelligent newspaper correspondents—representing publications of other countries—discussions much more frank and unrestricted than these correspondents are able to put in their communications to the press. Furthermore, a stay of even ten days in a place so concentrated as Moscow, with the strain and stress of the forces at work in Russia, with the contacts with shopkeepers, hotel keepers and managers, guides, servants, as well as a general observation of the great moving human spectacle with which one here comes into contact, gives one a "feel" of the situation which it is impossible to get in any other way.

I had another reason for wanting to go to Russia. We hear a great deal in the United States about "Bolshevik Propaganda" and the Russian menace. I wanted to find out just how that propaganda is carried on, what the nature of it is, what the story is that is

being told through such propaganda, and just how it is being told. I had heard that the Russian Government, the Communist Party and the Communist International are all combined in a conspiracy against mankind, particularly capitalist mankind. I was anxious to find out, by first-hand examination, just what is the nature of that conspiracy and how it is functioning. Indeed, as a man distinctly interested in the maintenance of capitalism, and a believer in the fact that upon fundamental regard for the rights of private property alone can the future prosperity and happiness of mankind be based, I wanted to go directly into what the whole Western world regards as the enemy's camp and, if possible, find out what he was up to!

Certain it is that if we accept the phrases and stated practices of the Bolshevik régime as literally embodying the permanent policies of the Russian Government and the Russian people, Western civilization must make definite plans to defeat those purposes. The fundamental question is how to defeat them. Can they be defeated by the isolation and encirclement of Russia, and an attempt to starve the Russian people? Can they be defeated by merely keeping out of our own borders Bolshevik literature and Bolshevik agents? Can they be defeated by trading with Russia or by refraining from trading with her?

What were—what are—the essential facts and the factors with which the world must deal in this amazing situation? It was in an effort to find some of them at first hand, and to form some impressions as to what ought to be done about it, that led me to spend the

first two weeks of May, 1927, in making a quick trip to Russia.

New York City
July 1, 1927

The foregoing was the preface to the first edition of this book—published privately. The book had been based upon such a hurried trip, and had been written in such a hurry, that I hardly dared offer it to the public. Since its private distribution some of the conditions related in the first edition have changed and a number of inaccuracies have been brought to my attention. Without changing the substance of the book, the facts have now been brought up to date, and in this edition I have included two new chapters, which were not part of the private edition; namely, those entitled: "Marriage, Women and Children," and "Trade Relations?"

January 10, 1928

CONTENTS

CHAPTER		PAGE
	Introduction	v
I.	Getting Into and Out of Russia	1
II.	Moscow	12
III.	Creating the Socialist Atmosphere	22
IV.	Some Soviet Propaganda	27
V.	Marriage, Women and Children	33
VI.	Some Common Sense	44
VII.	Preserving Russian Art	49
VIII.	Espionage—and the Ogpu	57
IX.	How Russia Learns of the World	63
X.	How the World Learns of Russia	72
XI.	Public and Social Economy	79
XII.	Lenin and Leninism	85
XIII.	Rykov—and the Government	93
XIV.	Stalin—and the Communist Party	99
XV.	Boukharin—and the International	108
XVI.	Trotsky—and "The Opposition"	113
XVII.	Radek—and Bolshevik Propaganda	122
XVIII.	Tomsky and the Trade Unions	127
XIX.	Concessions	141
XX.	Foreign Relations	157
XXI.	Russia and the United States	167
XXII.	Trade Relations	181
XXIII.	A World Dilemma	196
	Appendix	205

PRESENT-DAY RUSSIA

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I

GETTING INTO AND OUT OF RUSSIA

GETTING into Russia is, for an American citizen, a formidable operation; getting out is a formidable operation for anybody!

It cost twelve dollars to get my passport visaed for entrance. The visa specified the name of the frontier station at which I was to enter, and stated the proposed date of entry. Immediately upon arrival at Moscow, my passport was delivered to the police, to obtain a "permit de séjour," which cost eight dollars. This permit came back to me a few days later as an impressive looking document. It was good for thirty days. I had to give forty-eight hours' notice of my intention to leave, when the passport, with an additional photograph, was again delivered to the police, and another visa fee of twelve dollars paid. This departure visa again specified the frontier station of contemplated departure, and I then had seven days in which to leave the country. Anyone who might aspire to arrive in Moscow in the morning and leave that same afternoon would be disillusioned!

But that is the smallest part of the story. The real

problem was to get my passport visaed at all for admission to Russia. No Russian diplomatic officer in a foreign country has authority to visa an American passport without specific approval from Moscow. The American must make application by letter to the Passport Bureau of the Russian Commissariat of Foreign Affairs, and, after that deliberation which is characteristic of practically all Russian Government decisions, it is acted on, and the applicant notified as to whether in London, Paris, Berlin or elsewhere he may obtain his visa. In Berlin, I was informed that foreigners frequently remained there for weeks, awaiting their visa.

Once the decision is made the applicant must then personally appear at the designated consular office and fill out, in triplicate, a long questionnaire, giving numerous facts as to his life, business affiliations and other data concerning his relationships, purposes, etc.; he must deliver three photographs, one to be attached to each of the three copies of the questionnaire.

One of the interesting problems in this questionnaire, which would constitute a serious obstacle to most travelers, is to give the name of at least one responsible Russian citizen—which usually means a Communist—with whom one is personally acquainted in Russia.

Such is the ordinary routine. It should be said, however, that in special instances this red tape can be cut very promptly. It should be mentioned that in my own case the Russian Government gave immediate instructions that the passport of myself and those of

the members of my party be visaed without delay. Some weeks before sailing for Europe I wrote a letter to each minister of the Russian Government, as well as officers of the Communist Party—with no one of whom I was personally acquainted—setting forth that all of my business affiliations in America were "capitalist" and that I had no sympathy with Communism or what I understood to be the policies and practices of the Russian Government. Nevertheless, I was anxious to see for myself something of what was going on there, and to form my own impressions of what it all meant.

I did not state—I carefully avoided saying—that I was prepared to go to Russia with "an open mind." I had heard that the two types of people on which the Russians were very much "fed up" were, first of all, those who desired to go there with an open mind, and, secondly, avowed friends of the Russian régime who wanted to go there to observe the "Utopia," which the Russians themselves know does not exist.

I furthermore made it clear in advance that I had no authority to go to Russia as representing anyone—above all, anyone connected with the American Government—that I desired no concession, had no advice to give, and would not deliver any messages.

My sole purpose, I stated, was to regard the situation "objectively" (which is a word the Russians love), and that I wanted primarily to see *people* rather than things—and above all I wanted to see responsible representatives of the Government or the Communist Party, who would be in a position to give me candidly their own personal interpretation of the philosophy underlying their régime, and their point of view as to

their own situation and its relationship with the rest of the world.

Airplane Service

It takes a letter five or six days to reach Moscow from Paris; telegrams require five or six hours. The best train service is from Berlin, from which a through sleeper leaves each evening for the Russian frontier via Warsaw. The whole trip takes 44 hours. One can buy a ticket and reserve sleeper space as far as the Polish frontier. After that, one must buy a new ticket and take one's chances on getting into the Russian sleeping car. There has recently been established one through train service from Paris to Moscow. Up to a few days before I reached Berlin the quickest way to get to Moscow by rail had been to leave Berlin in the evening, arrive in Warsaw the following morning, spend the day there, and then take two nights and a day more to reach Moscow. In view of that situation, I arranged to go by airplane from Koenigsberg to Moscow.

There is from May 1 to November 1 a through airplane service from Berlin to Moscow, leaving Berlin at three in the morning, arriving at Moscow at five o'clock the same afternoon. The plane makes a stop at Dantzig, and reaches Koenigsberg at 7:30 A.M. One can go overnight by rail from Berlin to Koenigsberg, arriving at Koenigsberg at 5:00 o'clock in the morning, getting a night's sleep on the clean, comfortable German sleeping car, and take the plane to Moscow, which leaves Koenigsberg at 8:00 o'clock in the morning. This was the route which we took. There is a daily

service, and its record of performance is remarkably good.

Immediately upon stepping from the train at Koenigsberg, we were approached by a snappy-looking youth in uniform, who represented the airplane company. He took charge of our luggage, and guided us to an automobile standing just outside the station. It was a very cold morning, but we found a warm waiting room at the airdrome—five kilometres distant from the railroad station.

The Berlin plane, flying low, arrived at 7:30. Mails were transferred, engines were warmed up, and we were in the air at 8:05. The planes in this service are of the latest pattern; the one in which I rode carries six passengers. It was a German-made monoplane, with a 360 H.P. Rolls-Royce engine, and driven by a Russian pilot. The one-way fare from Koenigsberg to Moscow is $50. The planes are remarkably clean and comfortable. They have reclining chairs, and are well heated. The vibration is comparatively slight, and it is easier to read while in one of these planes than it is to do so in the average European railroad train.

The distance from Koenigsberg to Moscow is 800 miles. The flying time is about eight hours. Usually, two stops are made, one at Kovno, the capital of Lithuania, and one at Smolensk, an important provincial town nearer Moscow. On the day we were to make the trip, however, the airdromes at Kovno and Smolensk were soggy, and it was decided to cover the distance in one hop. We ran into very heavy head winds, and could not make the usual schedule,

although that same day the plane from Moscow to Koenigsberg covered the distance in five and one-half hours.

We dropped mail over Kovno about eleven o'clock, and at 2:30 I saw we were about to land. I supposed the pilot had changed his mind and that this was Smolensk. But it was, in fact, Vitebsk, 450 miles from Koenigsberg, and about 100 miles north of Smolensk. Immediately we had landed, soldiers rushed up and ordered that the blinds in the cockpit of our plane should be pulled down. We were held in the plane for two hours, being guarded at all times by sentinels on each side of us; then we were told to get out. What had happened was that our petrol had given out and the pilot had decided to descend. So much time would be required to get more petrol that we would not be able to reach Moscow that night, but would leave at four o'clock the next morning.

Surrounded by the "Red" Army

Fifteen or twenty soldiers had surrounded us. We were in a military enclosure. Civilian visitors were not welcome. I offered each officer and soldier American cigarettes, which they took and seemed to enjoy. Instead of a surly, disagreeable attitude, I found them most genial and regarding the whole episode as more or less of a joke. They did not examine my passport, but provided us with a fine military car in which two officers accompanied us to the town, several miles away. It is a rather dilapidated town, and the hotel was distinctly frayed at the edges. The man in charge

of the hotel led us to a so-called restaurant, where we obtained a little dinner. Fortunately, the sheets on the beds were clean, and we were able to get some sleep.

We were aroused at 2:30 in the morning, and the military car returned for us at three. It was quite cold, and when we arrived at the gate of the airdrome about 3:15 we had an illustration of the primitive way in which things are done in Russia. The sentry was evidently instructed to allow no one to enter unless an officer should personally arrive and tell him to do so. The sentry's duty, therefore, was to arouse the officer. He began to whistle with two fingers in his mouth, and our chauffeur told us this was the "Russian telephone." After struggling for half an hour, while we shivered in the cold night air, the sentry finally aroused the officer, who came galloping up on horseback. We got away at 4:15 A.M., and passed over Smolensk at 5:30. We arrived at the "Trotsky Airdrome" just outside of Moscow at eight o'clock, having flown usually about 3,000 feet high, but having gone up about a mile before beginning the descent. The examination of customs and passports was laborious but perfunctory. It seemed to me that the customs officers could not read very well, and they certainly had great difficulty in deciphering our passports.

The "Trotsky Airdrome," named for Trotsky when he was the head of the army, seems to be quite up to date. Many planes were about. Indeed, one is conscious throughout one's stay in Moscow of the very

great interest of the Government in the development of aviation. It would appear that Russia is seeking to bridge over a previous backwardness in the development of railroads with an unusually energetic effort to develop flying. It may thus be that many communities in Russia, from which there is no freight, will be dependent indefinitely upon communication by airplane rather than by rail.

On the Sunday I was in Moscow I saw a very large crowd of what seemed to be workingmen collected in front of the Labor Temple. On inquiring the meaning of this crowd, I was told a drawing was about to take place in a big lottery conducted by the Society for the Promotion of Aviation. There were some money prizes, but among the most eagerly sought prizes were those awarded the winner of a free trip by airplane throughout Europe.

The British break in diplomatic relations stimulated Russian interest in aviation. Newspapers established what they called "Answer-to-Chamberlain Funds" for public subscriptions to build up the air fleet.

The *Pravda* of May 28th reported that at Nijni Novgorod the workmen of several factories had assigned one per cent of their wages toward the expense of increasing the Russian Air Force, and that at Simferopol the railwaymen had opened a subscription toward the creation of a special air squadron, which is to be known as the "Squadron of May 24, 1927" (the date the breach with Russia was announced in the House of Commons).

The sale of wooden matches is a government monopoly in Russia, and all the little pasteboard match boxes

now carry pictures of airplanes. Russia is making many efforts to have her people "air wise."

When one enters Russia, luggage consisting of ordinary personal effects is passed very quickly, but letters, documents or books are immediately extracted by the customs officer and handed over to another officer, evidently a sort of special censor, who examines all printed material carefully. If this officer is not satisfied, he is at liberty to withhold papers and send them to the Foreign Office for further examination.

The foreigner is allowed to take very little out of the country. When he enters Russia he is given a list of the articles which he may take out. If he takes anything else he must obtain an export license. In order to obtain that license he must make a detailed statement specifying the goods he desires to export, pay any export duty which may be assessed against such goods, then pay a fee of $7.50 for the document upon which his export privilege is set down.

On the whole, however, the legal restriction on foreigners taking goods out of Russia was intended principally to prevent the export of objects of art, which the Russians might want for their museums.

Scrutiny of Documents

The examination of one's papers as one enters Russia is as nothing compared with the scrutiny when one leaves the country. I left Russia by train, and at the frontier station noted the meticulous care with which every document was examined. As I had a large numbers of papers, I had, before leaving Moscow, taken them to the Foreign Office where the censor

placed the seals of the Foreign Office upon them. These seals constituted the open sesame to my exit from Russia; but for these seals, Heaven knows what the customs official would have done with the large number of documents I carried with me—nearly all written in English. From what I saw at the frontier of the experience of other passengers with small numbers of papers, it was not difficult to imagine there would have been trouble.

I came out of Russia by train via Warsaw. The examination of papers was duplicated at the Polish frontier station immediately I got across the Russian border. The Poles are particularly watchful of Bolshevik literature, and as I had gathered quite a collection of propaganda posters and other material in Russia I am quite sure that had the Poles examined my papers as they did those of the other travelers on the train I would have been distinctly suspect. Anticipating this, however, I had obtained from the Polish minister in Moscow a "laissez passer" which saved me much trouble, both in going into and coming out of Poland.

Poland's guard against Russian literature is not for fear that the Poles would pay any attention to it but because there are 500,000 White Russians in Poland and the Polish Government is always under a certain apprehension as to what these White Russians may do.

The frontier line between Poland and Russia is marked by what looks like an ordinary American barber pole alongside the railroad track. The train stops at exactly the frontier line, and all Russian soldiers and customs officers alight, to be immediately replaced by

soldiers and customs officials of Poland. A few yards further, after entering Poland, one notices stretching as far as the eye can see, two long lines of zigzag barbed wire arranged just as it was in France during the Great War. I was told this was a relic of the German stand against Russia!

II

MOSCOW

ALL the hotels in Moscow which are available to travelers are conducted by the Government. Three of these hotels are designated for the use of foreigners. These seemed to be clean, but the service was not comparable with that of the first-class hotels in other important cities of Europe, notwithstanding the fact that the price one pays for accommodations is quite in line with the exactions of the most de luxe hotels in other parts of the world. One finds in the hotels placards requesting the guests not to demean the employees by offering them tips, but one notes that the employees themselves are just as eager to get the tips as elsewhere—when one leaves the hotel they array themselves for review by the departing traveler quite in accordance with the most orthodox procedure in capitalist countries.

The food in the restaurants of these three hotels is good, although extremely expensive. The most expensive things one eats in Russia, relatively, are caviar, which is extraordinarily good but which costs as much as it does in London, and oranges—which, in a hotel, cost 50 cents each. All the wines are Russian wines; foreign wines are not available. Of course, vodka is

always there. There are no first-class public cafés or restaurants apart from those in the hotels.

I found that Jazz had invaded the Bolshevik capital, though in only one place. At the Grand Hotel an eight-piece orchestra played for dancing every evening. This was meant to entertain foreigners, but the Russians were there in considerable numbers, though the prices were high and the dances are "bourgeois."

In these state-owned hotels one is struck by the fact that the linen in the dining rooms is of a very fine quality, and, indeed, into it are woven the crest and initials of the Emperor Nicholas II. One eats one's meals in these restaurants upon unusually delicate porcelain china, frequently hand-painted and bearing gold-embellished designs around the edges. Such china bears the crest and initials of the late emperor. It is evident that the china, linen and other materials used in the royal palaces under the old régime are now being utilized in the public hotels run by the state.

All heat is shut off from buildings in Moscow on May 1st. The theory is that summer begins that day. If, as a matter of fact, summer does not begin—which was the case while I was there, for it was very cold—it makes living in Moscow distinctly uncomfortable.

Another interesting detail in hotel comfort—or lack of it—is the fact that the hotel elevators do not function after ten o'clock in the evening, although very few people in Moscow go to bed before midnight. For that matter, however, the elevators frequently get out of order at odd hours of the day.

Among the innumerable contrasts between poverty on the one hand and luxury on the other, in Moscow,

are the many Rolls-Royce motor cars one sees hurrying about the streets. These cars are used by the officials of the Government; most of them were among the treasures seized by the Government in displacing the old régime. There are a few new ones.

There are not many motor cars of any kind in Moscow; those that are new are mainly of American make. Taxicabs are very much worn out, and extremely expensive to use. Most people who attempt to drive in public conveyances use old-fashioned droshkies, driven by isvostchiks, undeniable relics of the old régime, who still demand three times the fare they expect to receive, and to whom even the English guidebook, issued by the Soviet Government for the benefit of foreigners, instructs the traveler never to pay more than about one-third what is demanded of him. Whatever may be his political theories, the isvostchik is still "capitalistic" in his eagerness to obtain money.

Most of the streets in Moscow are paved with cobblestones. I saw two or three streets paved with asphalt for a limited distance. There is a great deal of dirt and mud, and after even the lightest rain one needs galoshes immediately, else one's shoes are covered with mud and grime. The use of galoshes, indeed, is one of the respects in which Moscow is more American than the average American city itself. Every office or public building of any kind—in fact, every home in Russia—has, immediately inside the entrance door, a place for hanging overcoats, and, right under it, boxes for the galoshes which belong to the respective overcoats. In the reception lobbies of the hotels in

Russia one finds that the three most conspicuous articles of furniture are the boxes to contain the letters and keys of guests, another series of boxes labeled "passports," and a third series of boxes (seemingly innumerable) for the reception of galoshes.

Next to galoshes, one notices that practically all the men in Moscow wear caps. I counted not more than one half-dozen derby hats there, and not more than a dozen soft felt hats, and all of these were, apparently, worn by foreigners. Practically all the men, including the officers of the Government, bankers, members of business institutions and everyone else, wear soft collars, generally dark colored. The laundered, stiff white collar is almost non-existent. Few women wear silk stockings, and it is common to see women wearing short woolen socks, with bare legs.

One sees no wearing of evening clothes at the hotels or at the opera or theatres. The only places at which evening clothes are worn is at the Foreign Embassies, or on the rare occasions when the Russian Foreign Office entertains the Diplomatic Corps. I was informed that until two years ago evening dress was not worn on such occasions. But now it is different.

Street Scenes

There are tram lines and buses in Moscow, which seem to carry a large number of passengers. Along the streets there are many peddlers, most of them selling cigarettes, oranges and stationery. Blank paper for writing purposes is somewhat difficult to obtain in Russia, and I found it virtually impossible to get an

envelope of the ordinary legal size. Certainly, such an envelope sent abroad would attract the attention of the censor.

In the old Russia, a conspicuous feature of the streets, homes, offices, railroad stations and many other places were the eikons. Before these everyone crossed his heart as he passed, either in the streets, on the way to the train or elsewhere. Isvostchiks always crossed themselves as they drove through the streets. To-day, the number of eikons displayed publicly is very small, and I saw none of the isvostchiks crossing themselves in the old way.

I was told that the Russian churches were crowded on Easter. I attended service on Sunday, May 8th, in one of the larger cathedrals, and found it packed with people. The music was not as good as under the old régime. The choir, instead of consisting of surpliced boys and men singing under the most careful training, was obviously untrained, without surplices of any kind. The churches that seemed to be the most crowded were those of the old orthodox faith, whereas the cathedrals and other churches of the "low church" variety had in them only a handful of people, and the music was of no consequence. One hears much better music in the Russian church in Paris.

Up-to-date Telephones

The most up-to-date thing in Moscow is the telephone! Everybody uses it. The instruments are either German or Swedish. The Swedish are pre-war and the German post-war instruments. I was told, however, that the Russian Government itself is now

beginning to manufacture telephone apparatus in a factory at Leningrad.

The telephone service is more prompt than in any of the other large European cities. Telephone operators, when answering your call, instead of saying "Number, please," simply give you the number of the operator herself. That enables the subscriber to make complaint if the service is not satisfactory.

One may call up any office of the Government by telephone; in fact, nearly all appointments for meetings with government officers are made by telephone. Government officers usually have several telephone instruments on their desks. The use of writing in any form is reduced to a minimum.

The more important government offices are located in the Kremlin, which is a city in itself, surrounded by high walls. Every entrance is guarded by soldiers. At any of these gates, however, one may obtain the use of the gatekeeper's telephone to speak to whomever inside the Kremlin one desires to visit. If the visit is acceptable, one then turns the telephone receiver over to the gatekeeper, who obtains his instructions direct to allow one to enter. One must then have a written permit, giving numerous facts about oneself. The guard at the entrance tears off part of the permit, and when one emerges from the Kremlin the remaining portion of the ticket must be given up to a guard at an inner portal.

The long-distance telephone remains to be developed. It is impossible to make an international call. But for political difficulties it would be to-day technically possible to telephone from Moscow to Berlin.

The equipment is installed. Relations with Poland, however, do not make this possible yet, as a matter of policy, although it is predicted that telephone service with Berlin will be permitted within a short time.

Red, the Ruling Color

Red, of course, is the predominant color in Moscow, although I was told that "Red Square"—which is to Moscow what Trafalgar Square is to London—was called "Red Square" long before the revolution, the same word in Russian signifying both the color and an idea of importance, e.g., "Red" Letter Day.

All soldiers wear red lapels on their uniforms; women who are Communist wear red bandannas around their heads; the 2,000,000 children, called "Pioneers," constituting the Boy Scout and Girl Scout movements in Russia, wear little red streamers around their necks. Books written by Communists usually have red-colored bindings. I was there just a few days after the May Day celebrations, and the streets were still full of streamers and banners of red, which had been put up to celebrate the chief Russian holiday.

A large number of the shop windows have red backgrounds for the display of their goods. Practically all buildings have red flags waving over them. One sees hearses pass through the streets now and then. If the body of the dead is that of a non-Communist, the hearse is white; if the deceased was a Communist, the entire hearse is red.

The Government operates five auction shops in Mos-

cow, which sell fixtures, furniture, silver, rugs and various miscellaneous articles which were seized in the palaces of the Tsar or the nobility at the time of the revolution. One of these shops is a large bookstore, containing an enormous assortment of secondhand books in every language and on every subject. Several of them are of considerable value. In these shops one finds beautiful rugs and the finest Sèvres china, which can be bought almost for a song. The point is, however, that very few Russians have surplus money with which to purchase such articles de luxe, and the foreigners are not allowed to take such articles out of the country.

In the ordinary shops in Russia there is very little the tourist would want to buy. Of souvenirs, there are practically none. One finds in the government shops devoted to native handicraft numerous boxes and cigarette cases made of Siberian birch. If one looks hard, one may find in a few of the shops Orenburg shawls of goat's wool, made by the native women in the provinces south of the Ural Mountains.

There is a small bazaar in the Grand Hotel in Moscow in which there is an enormous collection of sterling silver tableware; but who wants it? Indeed, however attractive these goods may be, the average foreigner does not care to have them in his home—articles which suggest so much anguish and bloodshed. The average Russian cannot afford to buy them.

Incident to the fact that busts of Lenin are almost universally in the show windows of the shops and restaurants is the story I heard that it was for a time customary to place busts of many of the party leaders

and of the members of the Government in one's office or place of business, as a sign of one's loyalty to the present régime. It was found, however, that the members of the Government and the leadership of the party changed so frequently that this making and remaking of busts became expensive. Thus, as a matter of economy, the practice has now been adopted of utilizing the bust of Lenin alone as the emblem of one's loyalty.

One is struck in Moscow with the fact that there are very few public buildings there such as house the government offices in most of the great capitals of the world. Kalinin, the President, and Rykov, the Prime Minister, have their offices in the Kremlin, but though the Kremlin is a vast place, full of buildings and cathedrals, there is little provision there for offices or suitable accommodations for the living quarters of many persons. Many buildings, therefore, in Moscow which before the revolution were used for business purposes or hotels have now been turned into government offices. The Ministry of Foreign Affairs is housed in a very commonplace and rather dilapidated building on one of the side streets. Curiously enough, the most commodious and expensive structure in the city is an old palace which has been turned over to the All-Russian Central Labor Union as headquarters, presided over by Mr. Tomsky. The Concessions Committee, one of the most important of the organs for promoting the business development of Russia, is housed in the old palace of the "tea king" of Russia.

Speaking of tea, one is constantly impressed in Moscow with the dependence of people upon tea as

an article of diet. Most Russians eat only one real meal a day; they have a very light breakfast, consisting of bread and a little tea, then they usually combine their luncheon and dinner in one meal, which they eat between three and six o'clock in the evening. Between times, however, and right up until they go to bed, tea is served intermittently. In every shop, every government office, almost every building one enters there are tea samovars in conspicuous locations. If one calls on anyone who desires to show courtesy, tea is brought in, no matter at what hour of the day, usually served in glasses and always very hot. And if one goes out to dinner in Russia, tea is always served an hour or so after the meal is completed, and it is considered discourteous to leave the party before the tea appears.

III

CREATING THE SOCIALIST ATMOSPHERE

NOTHING is more striking in Moscow than the manner in which the Soviet Government has sought to familiarize the people and keep them surrounded at all times with ideas of Socialism, Communism and Revolution. It simply saturates the people with place names, building names, mottoes and other indications of the new social conditions under which they live.

The name of every street or building or institution which previously had had any name associated with the Tsarist régime has been changed. The principal railroad station where one enters Moscow is known as the Lenin Station. Among the theatres one finds such names as the Revolution Theatre, the Theatre of the Moscow Trade Union Council, the First Workers' Theatre of the Moscow Proletcult. Among the museums one finds such names as the Museum of the Red Army and Fleet; the Revolutionary Museum of the U.S.S.R.; the Museum of the Trade Union Movement; Permanent Exposition of Art of the Trade Unions, and the Central Museum for Labor Production and Social Insurance.

It is interesting to note that isvostchiks usually prefer the old names. Thus, the Lenin Station is still

best known to them as Alexandrovski Vagsahl, its old Tsarist designation.

As showing the orientation of the Soviet mind, among the interesting new names of scientific institutions there are, for instance, the Communist University of the National Minorities of the West, and, again, the Communist University of the Nations of the East, named after Stalin and presided over until recently by Radek. The Communist University, named after Sverdloff; Workers' Faculty, named after Boukharin: The Institute of the Red Professors; The Communist Academy of the V.C.I.K. (All-Russian Central Executive Committee); The Marx-Engels Institute; and, above all, The Lenin Institute.

Again, the names of organizations and societies which have large buildings in Moscow are significant. There are the Executive Committee of the Third International; the Central Committee of the Russian Communist Party; Jewish Socialist Labor Party; International of the Red Trade Unions; Central Committee of the International Red Relief; and so on *ad infinitum*.

In the Kremlin at twelve noon and at six o'clock the bells peal the well-known melody of the workers' song—the "International," and at three and nine o'clock, the Russian Revolutionary Funeral March. Immediately after entering the Kremlin, one turns into "Communist Street," on both sides of which are official dwellings which before the revolution were the residences of Court officials.

At the northern end of the "Red Square," the Iberian Gate gives access to it from the "Square of

the Revolution." The gate is named after the Eikon of the Iberian Holy Virgin. At one side of the gate is the red brick building known as the "Second House of the Moscow Soviet." It bears an inscription which, it is interesting to note, can easily be translated as: "Religion is opium for the people," but the official English guidebook, issued by the Soviet Government, seeks to soften the full meaning of this phrase with the official translation: "Religion is an opiate for the people."

Just back of Lenin's tomb, in the Red Square, along the walls of the Kremlin, one sees the long row of graves of the 500 revolutionists who fell in the days of the October revolution. Here are also the graves of Krassin, of Voroffsky, killed at Lausanne, and now Wojkoff, assassinated at Warsaw.

Opposite the Kremlin walls stretch the "Arcades"—one of the largest department stores in the world, known as the Gum (abbreviation for State Universal Store) and run by the Supreme Council of the People's Economy. Adjacent thereto is the Second House of the Revolutionary War Council, wherein the Pur (short for Political Administration of the Red Army) is housed.

An important institution is the People's Commissariat for Social Relief (known as the Narkomsobes). The People's Commissariat for Finance is known as the Narkomfin, and the All-Russian Union of Coöperative Societies is known as the Centrossoyus.

Signs and Slogans

At the corner of one of the important streets is a

bas-relief representing a revolutionary fighter, with the inscription: "Let's Break Off with the Old World." On the walls of the People's Commissariat for Military Affairs, a building occupied also by the Revolutionary Military Council and the General Staff of the Red Army, are the names of the great world champions of freedom of all times, and above them the inscription: "He That Will Not Work, Neither Shall He Eat." One of the important places in the city is a "Monument to Enfranchised Labor."

On the façade of the second house of the Moscow Soviet there is a relief showing the revolution sweeping onward with the saying: "The Revolution Is a Storm That Blows Away Anything Which Stands in Its Way." Opposite the Moscow Soviet Building is a monument to "The October Revolution." Beside the obelisk is a place for speakers, on which is given the text of the Constitution of the Soviets, engraved on a bronze plate. Near by is a terraced garden with a "Lenin Nook," where in summer Lenin's portrait as a child is reproduced in grass mosaic.

Leading out of the city is the "Lenin Highroad," which passes a big confectionery factory, with the trade name "Bolshevik." Not far away is the "Trotsky Airdrome"—landing place for passenger airplanes from Germany. Farther along, on the Lenin Highroad, is the Park of the Third International (formerly called after Peter the Great).

The Workingman's "Science"

On one of the buildings of the Moscow State University is an inscription reading: "The Task of Science

Is to Serve Mankind." Curiously enough, on the building of the new university, some distance away, one finds on a corner wing an inscription: "Science Belongs to the Workers." On the wall of the small Academy Theatre is a relief of Kropotkin, with a legend: "The Society in Which Work Is Free Need Not Be Afraid of Idlers."

On another government building in the Petrovka, we read in relief the words: "The Worker Is the Marvel of the World." A little farther along is a plate with the inscription: "Art Is a Social Power," and "Science Serves Mankind Unselfishly."

Among the interesting sights of the city is a "Health Exposition," where serious attempt is made by posters, models and legends to educate the people on how to deal with the diseases to which the Government thinks they are subject. Among the official subdivisions of this material are such as the following:

"The Fight with Religious Prejudices," "The Fight with Infectious Diseases," "Alcohol as a Social Evil," "Tuberculosis a Proletarian Disease."

IV

SOME SOVIET PROPAGANDA

THE Soviet Government has published an excellent guidebook in English. Aside from the unique character of the contents, even the advertisements in the front and back pages of the book have a character all their own. Among other advertisements is one of the "Administration of the Donetz Railway Company," informing the reader that,

> "Fast and Mail Trains circulate between Kharkov and Rostov, in order to improve communication between the Crimea and Caucasian Watering Resorts. . . . The cars are divided into two groups, 'soft' and 'hard' cars. The fast trains are provided with sleeping places for both groups of cars, and an additional amount is charged for speed. Bedding linen is supplied in every car for a certain charge."

We find here an advertisement of the State Internal Loans of the U.S.S.R., among the interesting facts concerning which is the statement that "The bonds of the First Lottery Loan (100,000,000 gold rubles) are quoted at the stock sections of the Commodity Exchanges of the U.S.S.R. at rates corresponding to their intrinsic value." One is informed that in addition to paying six per cent per annum there will be

eight lottery drawings on these loans between 1925 and 1930, to the total amount of 6,000,000 rubles. Then the advertisement says:

> "The winnings paid out to bondholders are exempt from any duty whatsoever and not subject to income and property tax. All payments under the loan—both interest and capital—as well as to holders resident abroad are effected here in U.S.S.R. currency or in American dollars at par."

We find here page advertisements of the Lnocentr, which is the abbreviation for the All-Russian Central Coöperative Association of Flax and Hemp Growers. Another advertisement is of the "State Rubber Trust"; and of the "Naphtha Syndicate," which sells all the petroleum products in Soviet Russia and abroad; the "Wine Syndicate" advertises that it "unifies" the former appanage wine-growing estates of the Crimea, Northern Caucasus and Transcaucasus.

"The Administration of the State's Playing Card Monopoly" advertises the manufacture and sale of playing cards of every description, as well as the export of playing cards. There is a "Moscow United Polygraphic Industry," which deals in office supplies of all kinds; a "Textile Trust," which advertises that it utilizes 145,000 spindles, 4,500 weaving looms and 26 printing machines. "The State Moscow Cotton Trust" advertises proudly that "at the first All-Russian Agricultural and Industrial Show the Trust has been awarded the diploma of First Degree for the High Quality of its Production."

The entire radio business of the country has been combined into the Radio-peredatcha. "The Crimea

Tobacco Trust" advertises its "sales on favorable terms." The Kieff Food Trust advertises the products of the "Karl Marx State and Confectionery Works" and the "Lenin State Oil Mill."

We find here the "All-Russian State Trust of the Cork Insulation Industry." We are also advised that "The Administration of Motion Picture Business" is combined into the "Proletkino, Limited."

All of the data in this guidebook is written frankly from the standpoint of the Communist Party and the Soviet Government. On one of the early pages we are told that the slogans launched by the Bolsheviks after the Kerensky revolution urging "All Power to the Soviets and Peace to the Country,"—"Land to the Peasants,"—"Workers' Control Over Production"—"won the confidence of the war-weary soldiers, the starving workers and the land-hungry peasants."

The guidebook describes "the People's Courts," which dispose of ninety per cent of all cases tried by the Courts as "frankly constituted on political principles."

The permanent chairman of the People's Courts, we are told, is elected by the respective Provincial Executive Committee, while the two assessors of each court, who are changed each week, are chosen from the list of the local Soviets—that is, from "the local wielders of political authority." The "importance of the Law Courts as an instrument in class struggle" is shown also in the composition of the higher courts. Then the guidebook adds:

> "The undisguised and deliberate use of the State institutions as an instrument in the class struggle

> is fully in accord with the Marxian doctrine of the State; namely, that it is a class organization. In this case, it is the organization of the ruling proletarian class. This conception of the State permeates all forms of social and economic life in the Soviet Union."

The book tells us that the Communist Party during the period of civil war imposed upon its members a strict discipline of the military type, restricting the admission of new members, and through purges expelled from its ranks all "Careerists." The foundation of the party is the nucleus, in which are united the Communists of an industry, and, in the country districts, those of the village.

These nuclei are united territorially into country and district organizations, the supreme organ being the Annual Party Congress, and during the intervals between Congresses, the Central Committee of the Russian Communist Party. This system, the guidebook says, of "organization founded on production," "enables the party to launch its watchwords quickly among the masses and also to respond promptly to the aspirations of the laboring population."

Every branch of the party has its women's section; likewise the "Young Communist League," and its children's group, "The Pioneers," constitute an extremely widespread organization.

We are advised that the Trade Unions—owing to the peculiar development of the Russian Labor Movement —were mainly created by the Communist Party in the year 1905, and after ten years of enforced underground existence the "Bolsheviks undertook once again to

reconstruct them in 1917." The work of the Communist Party in the country districts, we are told, "gives the Communist Party the right to be the only true political party in the country," and that it is interesting millions of peasants in Communism.

In describing the Russian Army, the book states: "By its very nature the Red Army is an army of the proletarian class. The military service in the revolutionary army is considered as an honorable privilege of the toilers; persons not having the right to vote for the Soviets, that is, non-workers, are not allowed to serve. This serves as a sufficient precaution against the possibility of any anti-Soviet agitation within the army."

The present strength of the Russian standing army is only about 600,000 men, but the Russians consider that it is largely supplemented by the millions of workers who are obtaining military training in territorial civilian organizations.

The Government has also evolved a plan under which different villages undertake to become patrons of particular regiments of the army, thus establishing cordial relations between the army and the public at large, and avoiding estrangement between the army and people. The League of Communist Youth devotes itself to the building up of the Red Fleet. There is also a widely ramified association, known as "Friends of the Air Fleet," with over 3,000,000 members, which aims at developing aviation.

In describing the system of education of the country, this interesting publication tells us that "the teaching of the three R's is combined with a course of political

and cultural education, which embraces the rudiments of general knowledge as well as of basic knowledge of the social order under the Soviets."

The abolition of illiteracy, together with all other educational work among others, is in charge of the Central Board of Political Education, one of the largest organizations in the Soviet Union. Its task, so the government book says, is "to combine political propaganda with cultural education."

In another place we are told that the activities of the Central Board of Social Education—which operates under the Commissar of Education—is "dedicated to the task of raising the young generation in the Communist spirit."

V

MARRIAGE, WOMEN AND CHILDREN

SO violent has been the break which the Soviet Government has made with tradition in its dealings with the matter of women and marriage that it is no wonder that even the myth of "nationalized women" has been accepted in many quarters as an actual fact. Whatever attempts may be made to establish an entirely new theory of marriage and divorce, one can never escape the thought that deep-seated points of view, religious customs and social habits are often more persistent and decisive than all the new theories which may be presented.

The Russians have attempted to take God and Religion out of marriage and family life just as they have attempted to take them out of all political relationships. Whether this break with spirituality and the attempt to establish a purely materialistic basis of life is fundamentally contrary to human nature, and that human nature will in the long run assert itself in this as it is asserting itself in economic life, history alone can reveal.

The laws regulating marriage and family relations have been revised a number of times, but I obtained in Moscow and had translated a copy of the latest statement of the new code of laws on this subject.

An attempt will be made to give a synopsis of this code.

According to the Bolshevik theory, marriage is primarily a contractual relationship between a man and a woman. Unless children are involved, the State does not presume to exert any pressure toward maintaining the continuity of that contractual relationship. It is not a matter of interest to the community! Religious sanctions are entirely abandoned, as they are in every other official relationship in Russian life. Solemnization of the marriage contract by the church is of no validity of itself. A marriage is not legal until the parties register it before the proper civil tribunal. Such registration, according to the code, is regarded as "unquestionable testimony of the existence of the marriage," and the code specifically states that "testimony as to the conclusions of a matrimonial agreement according to some religious rite has no legal force whatever." It is provided, however, that marriages concluded before December 20, 1917, are regarded as being equal to registered marriages. Persons living in matrimonial relations, without having been registered as being married, have the right of legalizing their relations by registration. This must take place with the consent of both parties, with an indication of the period of existence of their relations.

Marriage may take place between persons above eighteen years of age, although marriage is forbidden between persons of unsound mind, between those of close consanguinity, or between persons one of whom is already registered as being married or "is married *de facto* without being legally registered as such."

Common-law marriage can be established by certain specified evidences, for purposes principally of adjusting property claims. Alimony may be claimed either by husband or wife if incapacitated or unable to find work. The Court of Justice fixes the amount, which is limited to a period of one year at most.

An essential feature of the Russian laws is the equality of men and women in every particular. As far as possible the law abandons any recognition of distinctive status for woman as such except in the protection it throws around her at the time of the birth of her child. The Code thus declares:

> "Persons registering their marriage may declare their desire of adopting the surname of either of the contracting parties, or of keeping their respective surnames as previous to the marriage. [Lenin's wife, for instance, was and is known as Comrade Krupskaya.]
>
> "In registering the marriage of a citizen of Russia and of the citizen of a foreign country, both persons retain their original citizenship. Change of citizenship may be effected by a simplified procedure established by the Union Law.
>
> "Both parties enjoy complete freedom in the choice of their occupations or professions. The common household is established according to the mutual agreement of the contracting parties. The fact of one of the parties moving to a different locality does not imply the obligation for the second party to follow.
>
> "Property belonging to persons contracting marriage remains personal property of each of the parties. Property acquired by the parties since their marriage is regarded as being their common property.

> "The parties may conclude with each other all legally recognized agreements relating to property. Agreements concluded between husband and wife tending to diminish the rights upon property of either husband or wife are of no legal force and are binding neither for third parties nor for the contracting parties, who are free to deny them at any moment."

Either husband or wife when incapacitated for work, says the Code, "has the right to receive necessary material support from the other party—if the Court recognizes the other party as capable of giving such support." The exact amount of the support to be given by one of the married parties to the other may be fixed by the Court. This right of claiming material support is extended both parties where living *de facto* in matrimonial relations, even though their marriage is not registered.

The marriage ceremony is very simple. The parties registering their marriage produce documents stating their identity; a certificate stating the absence of obstacles; a declaration that they are informed of the state of each other's health, particularly so with reference to venereal or mental diseases and tuberculosis; they must also state the number of registered or unregistered marriages either of the parties has concluded previously to the present marriage, and the number of children each of them has.

The functionary in charge of the registration of marriage must read to the couple contracting marriage the essential articles of the Code, and "inform them of their responsibility before the law for the declara-

tion they make and for the information given." After this, the registered inscription is read, signed and certified—and the parties are "man and wife."

Divorce

Quite the most startling break with tradition in Soviet Law is this very simple paragraph in the marriage code: "During the lifetime of both parties marriage may be canceled either upon mutual consent or upon a declaration of one of the parties demanding cancellation."

Where there are no children, procuring of divorce, assuming mutual consent, is simple and immediate. Where there are children, the mother and father may agree as to provision for the children; the Court will sanction their agreement. In case there is no such agreement the Court will establish the extent of this obligation of either of the parties to care for the children.

Where there are no children, and yet one party to the marriage opposes the application for divorce, the other party may obtain divorce by establishing before a suitable tribunal that there are certain valid reasons for the separation. The list of such reasons which will be regarded as "valid" is simple and covers all that the most lenient courts of Nevada or Washington would sanction—and much more. Divorce is easy.

Sufficient experience is not yet available with which to obtain any satisfactory opinions as to the effect of the marriage and divorce code upon morality. One observant Russian made this suggestive comment to me: "Don't forget that Russia has 146,000,000 people,

very few of whom can read, that she has published few books, few newspapers, has few railroads and that there is but little travel. Whatever may be the marriage code adopted by and in Moscow, the chances are the great body of the people do not know of its existence, and that the relationship of marriage, home life, etc., will probably continue for a long time to be governed by religious, social, tribal and other native customs, substantially as they have been in the past. Laws do not create or in the long run govern the relations between men and women. Such relations are fundamental in human nature, and sanctioned by social custom, and normal human nature in the final analysis determines the nature of these relations."

One hears, of course, the wildest assertions of a general breakdown of social morality in Russia. Public prostitution has been made a crime, and is, in fact, severely punished; yet one reads of promiscuity on a large scale among certain classes of people, particularly among some of the "comsomols" or "young Communists." To get at the facts would require time and facilities for investigation which are certainly not available to the foreigner.

Women

The outstanding fact about woman in Russia is that under Soviet Law she enjoys complete equality with man. Even as long ago as 1919, Lenin said: "Of those Tsarist laws which placed women in a subject capacity, not a trace remains."

Women hold high places in public life and in cultural and economic work. Krupskaya (Mme. Lenin) is

Chairman of the Department of Political Education; Mme. Trotsky, Chairman of the Committee for the Preservation of Art Museums; Mme. Kollontai, who has served as ambassador to Norway and to Mexico; Mme. Kameneva, Chairman of the Committee on Cultural Relations with Foreign Countries; Mme. Bitzenko, Director of the Coöperative Institute; Mme. Yakovleva, Assistant Commissar for Education of Soviet Russia proper.

In the All-Russian Soviet Congress of 1927 there were 193 women, eight per cent of the total membership. In the All-Russian Central Executive Committee there are 68 women. In the village Soviets, out of a total of 1,255,000 elected, 141,800 are women. Women number twenty-five per cent of members of the trades unions. At the beginning of 1927 there were in Russia proper 35 women serving as district judges, 165 serving as justices of the peace, 21 as assistant judges and 53 as examining magistrates.

The law provides that women engaged in work must receive a period of rest before and after the birth of a child. In that time her regular wage is paid out of a social insurance fund, to which all State and private employers are required to contribute. This support is drawn through the pre-natal and baby clinics, which gives the Government physicians a chance to watch over the child. This has reduced the infant mortality rate a great deal.

While the Russians take particular care of the expectant mother, and surround her with unusual economic privileges at the time of and immediately following the birth of her child, Bolshevik theory imposes upon

women obligations such as are contemplated by no other country. For instance, the *Istvestia,* on October 8, 1927, printed this astonishing discussion of the militarization of women by Budennyi, Commander of the Soviet Cavalry:

> "What can the working and peasant women do for the strengthening of the defensive power of the U.S.S.R.? Every laboring woman must learn the elements of military science by voluntary work in the circles of the Special Association for Aviation and Chemistry, in the circles of military science attached to the factories, as well as in the village libraries and the Houses of the Peasant in the country. One must strive toward the strengthening of the Red Army, the development of the network of voluntary cells of the Osoaviakhim (Special Association for Aviation and Chemistry) and the systematic organization of conferences among women, dealing with military subjects.
>
> "Many may wonder whether woman is strong enough for this work. If we look back at the history of the civil war in Russia, we see that women went into bayonet attacks hand in hand with experienced warriors, and that they developed a spirit of great self-sacrifice and endurance. Can one then suppose that the work in the cells of the Special Association for Aviation and Chemistry, in the circles of military science and other military associations will be too hard for our workmen and peasant women?
>
> "Most women, it is true, are still imprisoned by 'Family bonds.' But in spite of all the difficulties, every woman who realizes that the highly efficient power of defense of the U.S.S.R. is a condition for the preservation of peace, must participate in the militarization of the entire population."

Children

The Soviet Government Code disposes of the problem of illegitimate children in this simple language:

> "The reciprocal rights of children and parents are based upon their relation. Children of unmarried parents enjoy the same rights as the children of legally married persons."

In other words, there is no such thing as an "illegitimate" child. Every child is a fact, its parentage is a fact, and out of these facts grow the mutual rights and obligations. The names of all children born must be registered, together with the name of the father and the mother. The unmarried mother has the right to declare either before or after the birth of the child who the father is. When such declaration is made the appropriate tribunal advises the person concerned that he has been named as the father; and the Code then continues:

> "If, at the end of a month's time from the date of delivery of the advice to the person interested, no protest has been made by the person in question, he is registered as the father of the child.
>
> "The mother has the right of demanding the establishment of the parentage of the child after its birth."

When the tribunal has named a man as father of a child born out of wedlock, upon him is imposed the obligation to pay the expenses caused by the birth of the child and to provide for its support as well as that of the mother during the period of pregnancy and six

months after the birth of the child. The Code then continues:

> "Should, however, the Court of Justice establish that the mother of the child was in sexual relations with other men besides the person indicated in the declaration at the time of conception, it assumes the responsibility of designating one of these men as being the father of the child, and of imposing upon this person the charges for the support of the mother and child."

If the same surname is used by both parents, it is also adopted by the children. If the parents use different surnames, the names of the children are established according to the desire of the parents.

The general position of a child in Russia is substantially the same as in every other civilized community, as is set forth in the following paragraph from the Code:

> "The parents are under the obligation of taking care of their children as long as they are not of age, of educating them and of preparing them for a useful social activity. The parents are under the obligation of supporting their children not yet of age or incapable of working."

In case of parents not fulfilling their obligations or duties to the children, or if they misuse their rights with regard to children—through ill treatment or otherwise—the Government has the right to take the children from the parents and to entrust them to the guardianship of appropriate institutions, although the Code provides that: "The loss of rights of the parents

does not free them from the obligations of supporting their children."

Where parents are called upon to support the children not living at home, the father and mother bear equal responsibility for providing such means of subsistence for the children, unless otherwise decreed by the Courts.

Adoption of children, according to the Code, is permitted "only in case of minor children—and exclusively in their interest." "Children having reached the age of ten years cannot be adopted except by consent of the children themselves."

The Wandering Children

There is in Russia a large group of children, the number of which is estimated from 100,000 to 200,000, known as "Children of the Revolution." These children either lost their parents or were separated from them as a result of the war, the Revolution or the various civil conflicts that followed during the period of militant Communism. The Russian Government has been unsuccessful up to now in dealing with the problem of these children. The Government claims to have made attempts to segregate them and take care of them, but it is claimed that the children invariably escape. These children subsist mainly as beggars, pickpockets or thieves; they are full of disease, infested with vermin, wandering up and down the country like migratory birds—going South in winter, returning North in summer. They are dying off rapidly from disease, but their very existence still presents a real problem to the Russian Government, and is a source of continual social danger.

VI

SOME COMMON SENSE

THE Russian Government must receive credit for having done some common-sense things. One of these has been a revision of the Russian alphabet. The language, since the Muscovite tongue had been expressed in written form, had had to struggle with thirty-six letters, twenty-four of them consisting of the original letters of the Greek alphabet, imported into Russia by the priests of the Greek Church who first developed the written language, and the other twelve being arbitrary letters devised by the priests to express sounds not provided for by the simple letters of the Greek alphabet. These thirty-six letters and the interminably long words to which they gave rise, constituted a very definite barrier against emergence from the extreme illiteracy which afflicted ninety-five per cent of the population.

The Russian Government has, therefore, arbitrarily cut off six of the old letters and is seeking to simplify the language still more. In addition there has developed a most interesting use of abbreviated forms. The New Economic Policy, the fundamental factor in all present Russian economy, is always referred to in the newspapers as Nep. The office of the People's Commissariat of Foreign Affairs is always referred to as

the Narkomindel, or even the Nkid, an abbreviation, built up like the word "Socony," of *Nar*odny *Kom*missariat *In*ostrannykh *Del.* The Central Committee of the *Com*munist *Inter*national is always referred to as the Comintern.

Incidentally, the abbreviation of the correct name for the Russian nation is U.S.S.R., which does not, as many people suppose, mean "United States of Soviet Russia," but means "Union of Socialist Soviet Republics." The word Soviet is in no sense a synonym for Bolshevism. "Soviet" means "Council" and "The Soviet Government" means government by council, as opposed to government by king, parliament, or otherwise. It is the word "Socialist" in the title of the Russian Government that distinguishes it fundamentally from other governments, rather than the word "Soviet."

Travelers in Russia have always noted the great number and the peculiarity of signs on Russian shops, which might include a few letters giving the name of the shopkeeper but consisting mostly of pictures suggestive of the articles for sale therein. This grew out of the fact that so many of the people could not read that it was necessary to picturize or illustrate the articles sold. This situation has now grown into an extensive use of posters.

One finds posters everywhere, and dealing with every conceivable subject. Of course, a large number of the posters are in behalf of the revolution and picturize the fundamental phrases with which the people are constantly fed, but in addition there is a very sensible and constructive use of posters for help-

ful purposes. The Government itself publishes numerous posters, in which an effort is made to explain to the people in the simplest possible pictures and language the methods by which the Government functions, and the personalities behind the offices by which the Government is administered.

A large number of highly expressive posters deal with great realism on subjects of health. Others illustrate improved methods of agriculture and industry. Still others are intended to develop the patriotic pride of the people by highly colored graphic presentations of the social and economic progress of the nation. Many of the posters tell of groups of activities and individuals in other nations. There are many posters expressive of the idea of Fordismus—a subject which is often in the Russian mind as representing the perfection of American technique, which the Russians profoundly respect; and a frequent subject of other cartoons is Sir Austen Chamberlain, the British Foreign Secretary, with his monocle—at which the Russians laugh.

Many of these posters are strange, and confront one at places where they are least expected; for instance, the first day I was in Moscow, coming out of the State Bank I noticed at the very doorway of this conservative and capitalistic institution a huge poster—predominantly red in color—drawn with grotesque figures and entitled: "All Hail the Chinese Revolution!"

The Russian Government has abolished the old-fashioned system of measurements, rates and measure, and introduced the metric system throughout the Union. It has also divided the country for purposes

of time into zones, fifteen meridians each, just as is done in America.

Another sensible act of the Soviet Government has been the changing of the Russian calendar to coincide with the calendar of the rest of the world. Prior to the revolution, Russia used the old Gregorian calendar, which was thirteen days behind that of all other countries, and in writing letters abroad it was always necessary to use two dates—one Russian, the other the world date. That nonsensical condition no longer exists.

The Government has also cut down the number of holidays. I visited Russia in 1905, and found constant difficulty in shopping, obtaining money and doing business because of the number of holidays commemorating either Imperial birthdays or the name-days of the saints of the Church. In the old Russian régime there were some fifty-six holidays. At Easter time there was a continuous holiday for ten days, during which time all shops and banks and places of business were theoretically closed. Even in those days, it was customary to give the shops and banks an informal opening late in some of the afternoons, but the observance of the holidays was very much of an obstruction to national progress.

To-day, the Russian holidays are January 1, the New Year; January 22, Memorial Day of the 9th of January, 1905 (demonstration in front of the Winter Palace in St. Petersburg), and of the death of Lenin; March 12—The fall of the autocracy (Revolution of February, 1917); March 18—Day of the Paris Commune; Holy Saturday; Easter Day and Easter Mon-

day; May 1—Day of the International; The Ascension; Whitsunday and Whitmonday; July 5, Day of the Constitution of the U.S.S.R.; August 6, the Transfiguration; August 15, the Assumption; November 7, Day of the Proletarian Revolution (October Revolution, 1917); December 25 and 26, Christmas.

On these holidays no one is allowed to work. It will be observed that many of these are religious holidays even if the Moscow Soviet does advertise that "Religion is an Opiate for the People."

VII

PRESERVING RUSSIAN ART

THE visitor to Russia to-day is both surprised and delighted with the signs of almost complete absence of vandalism in relation to all matters of art. Any one who has visited the cathedrals and palaces of Western Europe has always grieved at the signs of vandalism which destroyed irreplaceable objects of beauty; notably when Henry VIII despoiled the English monasteries, when the Puritans, under Cromwell, destroyed so much that was beautiful in English cathedrals, and churches, and when the French revolutionists sacked the Tuileries, set fire to Notre Dame Cathedral and swept away so much of the best products of French art.

There are no signs of anything of this kind in Russia. The great Hermitage Art Gallery, one of the finest in the world, in the old Winter Palace at Leningrad, is still intact, and Moscow itself is a perfect mine of art galleries and museums. When the palaces of the nobility were seized and the monasteries taken over by the State, their pictures, eikons and other objects of art were carefully preserved. One of the interesting posters of the early revolutionary days in Russia sets forth in most emphatic terms that "Any one found guilty of attempting to rob wine cellars or to destroy objects of art will be immediately shot!"

The Bolshevik conception of art is distinctive. As Boukharin expresses it, "Art is a means for the socialization of the emotions." The Russians consciously attempt to use art to promote their new theories of society. But aside from that there is no doubt that the Government has made every effort to preserve the art treasures of the past which were scattered throughout Russia. To arrange them systematically, a Central Bureau of Museums was created under the Commissar of Education, whose task it was "to render all the art relics of the past accessible to the masses of the people." Instead of thirty museums—in prerevolutionary Russia—there are to-day more than 476 in the U.S.S.R. The official guidebook of the Soviet Union advises us that the present artistic life—like the general cultural life in the Soviet Union—has been strongly influenced by the belief that art is not "an end in itself but is an expression of the life of society."

Most of the valuable individual pictures and objects of art have been assembled in the various museums. In addition, some of the most striking of the palaces have been preserved intact and opened as museums of Russian history. Even the old home of the Tsar, at Tsarskoe Selo near Leningrad, has been carefully preserved, and the personal furniture, playthings, clothing and other personal accessories of the Tsars and their families are maintained for the people to see.

Among the museums in Moscow one finds several that are not paralleled anywhere else in the world.

The most striking of these is the so-called Revolutionary Museum, in which the story of the revolution from the very beginning is presented in the form of photographs, newspapers, documents, posters and articles of personal use. The exhibits are most carefully arranged in historical order, culminating with the Lenin rooms, in which are collected every possible memento of Lenin's life and work. These museums are in charge of a trained group of Communists, who conduct parties from room to room, instructing them upon the significance of every item, however insignificant. The parties, of course, are almost exclusively Russian, for very few foreigners visit Russia. The guides are skilled in relating the stories surrounding these articles and objects so as to arouse the greatest possible amount of interest, patriotism and revolutionary ardor on the part of the visitors. I was struck with the large number of groups of children visiting these museums, and the minute care with which the significance of all of these things was explained to them. Clearly, the Russian Government is making every possible effort to make its children revere and reverence the word "revolution," and the personalities of Russian history who have been associated with that word.

In one respect the Russian Government itself has been guilty of deliberate vandalism. It has destroyed or removed from public view practically every vestige of statuary throughout Russia which perpetuated the memory of Tsars or members of the Romanoff family. Only one important exception has been made to this

complete destruction, and that is the preservation in one of the great squares of Leningrad of an equestrian statue of the Emperor Alexander III, and the reason this statue has been preserved is set forth in the placard asserting that this is "The Ugliest Thing in Russia."

There are not many new statues in Moscow, but certainly the most striking one is a fine bronze statue mounted on a high pedestal just outside the office building which contains the Ministry of Foreign Affairs, erected to the honor of Voroffsky, the Russian delegate to the Lausanne Conference, whose murder, while at the conference, brought about the break between the Swiss and the Soviet governments which was not bridged over until just before the recent Economic Conference at Geneva.

The Crown Jewels

Not the least interesting experience I had in Moscow was the opportunity to see the crown jewels. These jewels are kept securely hidden away in the vaults of one of the buildings of the Ministry of Finance in one of the back streets in the outskirts of Moscow. The building itself is guarded by soldiers, and inside the building are many watchmen. Ordinarily, the jewels are not shown.

As a special courtesy, however, I was told that on a certain morning the wooden boxes in which the jewels are kept would be brought from their vaults and the contents opened to display. We entered a large room, where a number of clerks were at work, and on an improvised group of tables was laid out this amazing collection of gems. As we looked at all this wealth, I

counted eight men standing about, dressed in overalls —strange contrast to the brilliantly uniformed guards which formerly watched over these treasures in the Winter Palace at St. Petersburg.

I was able actually to handle the great crown of the Tsars, said to be worth fifty millions of dollars, the royal scepter, containing the large Orloff diamond, and the Orb of the great Catherine herself. We were confronted with scepters, diamond tiaras, jeweled cases, snuffboxes, bracelets, rings and jewels in such number and of such magnificence as to make one lose all sense of the fact that jewels are rare. Here was a miniature train, made of golden cars upon platinum wheels—a miniature replica of the Royal Train—and so made as to fold up and be enclosed in a small golden egg. Here were the most complicated jeweled musical toys which had been given the Royal children by Royal relatives.

I was told that this collection was worth at least $250,000,000, and that it is for sale!

A few of the crown jewels have undoubtedly been sold, but certain it is that the most valuable part of this amazing collection of wealth—of a value sufficient to meet the entire amount of money loaned by the American Government to Russia for the conduct of the war—still remains intact.

So rarely are these jewels displayed that the fact that my party was permitted to see them evidently got spread abroad in the neighborhood of the building where the jewels are kept, and when we emerged a little crowd had gathered to see who the people with such privileged eyes might be.

The Theatre

The best thing in Moscow is the theatre. This is controlled by the State, under the "Commissar of Education." I attended at the opera a performance of "Boris Godunoff" that would have done credit to the Metropolitan Opera House in New York, not alone in the singing but also in the costuming, lighting and the *mise en scène* generally. The opera house in Moscow has six galleries, and the house is always crowded. The best seats cost about $3.00 each. The old Imperial box is now reserved for ministers of the Government and their wives, and the box is always filled.

True proletarians—members of the Russian trades union—do not pay $3.00 for opera seats, but get their tickets through labor organizations for the equivalent of 35 to 50 cents. Last year the labor unions distributed nearly a million seats to the opera in this way. The theatres and opera are mostly subsidized by the Government and do not pay their own way.

The best legitimate plays in Russia are given at the Moscow Art Theatre, managed by Stanislavsky, the famous director, who gave up a private business in Moscow twenty years ago in order to establish a theatre which would break with the classical style of acting and establish the new realism. Stanislavsky himself is one of the most remarkable personalities in Russia. Such is his vogue and the standing of his theatre that for months he produced almost nightly a play called "The Days of the Turbides," the general

effect of which is counter-revolutionary. The Government will not permit this play to be produced anywhere except in Moscow. It is beautifully done, and portrays the internal struggles of an Ukrainian family during the period when the White and Red Armies were alternately sweeping across southern and western Russia.

Most of the plays and movies now being produced in Russia depict various phases of the revolutionary struggle. I was interested, however, to see in these plays and movies no attacks upon capital or capitalism as such, but always upon the extravagant profligacy and brutality of the Tsarist régime.

I heard experts in various parts of Europe say that the ballet of the old Imperial Opera House in Leningrad is still the best in Europe. Certainly, I saw a ballet performance at the opera house in Moscow which was as fine as I had ever seen in any other opera house. It depicted the story of Victor Hugo's "Notre Dame de Paris"—all in the form of music and pantomimic dancing. It is produced under the name "Esmeralda," heroine of Victor Hugo's famous novel. To hold an audience enthralled for five hours, with nothing more than orchestral music and pantomimic dancing, is in itself an achievement.

I attended a midnight supper at the Moscow Art Theatre which Stanislavsky gave to Morris Gest. I sat next to Mme. Chekhov, wife of the famous Russian dramatist. The evening was full of music and song; in fact, it was by all odds the most cheerful experience I had in Moscow; but as I left the room Stanislavsky

and one of the ladies present accompanied me to the door, and upon being told that I was going directly back home, to America, the distinguished lady—in a tone of voice which spoke volumes—said: "Oh, happy man!"

VIII

ESPIONAGE—AND THE OGPU

RUSSIANS do not think it prudent to be seen too much in the company of foreigners and any sign of particular intimacy between a national and a foreigner would subject the national to suspicion. I was told by one of the ladies of the Diplomatic Corps that soon after her arrival in Russia she obtained the services of an unusually efficient hairdresser. The lady was particularly delighted at her discovery, but after one or two visits the hairdresser notified the lady that she could not come any more. The intimation was that if she came frequently she would be expected to report her observations and any gossip she heard in the milieu of the diplomatic household. As this particular hairdresser did not wish to do this, she declined to make further visits.

All of which brings one to the question as to what is this invisible force which seems to restrict the liberty and enshroud the minds of the people in Russia. A few years ago it was the Tcheka, lineal descendant of the Secret Police of the Tsarist régime. The reign of the Tcheka under the direction of the late Djerjinsky made rivers of blood run in Russia. The Red Army repelled the White Armies, which, in connection with foreign troops, sought to destroy the Bolshevik Gov-

ernment, and then the Tcheka was the instrument used to stamp out every vestige of counter-revolution in Russia itself.

The work must have been thoroughly done, for to-day there is an atmosphere of calm and quiet in the country. To be sure, I heard Kerensky say in New York, before I went to Russia, that there are some 50,000 or 60,000 political prisoners confined in Russia, awaiting trial, but as a matter of fact the Tcheka has now been abolished. What remains of it is carried on by the Ogpu, or, to give it its official designation, the "Union State Political Department." Its functions are set forth in the very Constitution of the U.S.S.R. in these words: "In order to unite the efforts of the constituent republics in their struggle against the political and economic counter-revolutions and against espionage and brigandage, there shall be created a joint State Political Department attached to the Council of People's Commissars of the Union, the Chairman of this Department entering the Council of People's Commissars of the Union with the right of advisory vote.

"The control of the legality of the acts of the State political Department of the Union shall be exercised by the Attorney General of the Union in accordance with a special decree made by the Central Executive Committee of the Union of Socialist Soviet Republics."

It is said that the functions of the Ogpu are carefully defined and that no innocent person need any longer have any fear of undue espionage over his affairs and daily life. But as to this point there is much difference of opinion. The Ogpu is housed in one of the most conspicuous office buildings in the business

section of Moscow, a building as conspicuously and centrally located as, say, the New York Times Building on Forty-second Street in New York City. The blinds were always drawn in the lower floors of this building, and though otherwise the structure suggested nothing unusual, the very thought of its meaning and the traditions surrounding it in Russia gave it a somber significance to the traveler just as it probably does to the Russian native himself.

Krylenko, the Chief Procuror of the Soviet Union, explained to foreign newspaper correspondents that the Ogpu has no authority of its own to go beyond the laws or to administer its own justice. He explained, I was told, that this is the principal difference between the new Ogpu and its predecessor—the Tcheka. This would seem to mean that the secret police of Russia is no longer an extra-legal body. I understand that it must receive the approval of the Council of People's Commissars, the highest executive organ in the Government, for each case in which it wants to impose and execute its own sentence.

But in practice the Ogpu seems to act as an independent "watchdog" of the revolution, and even the most powerful members of the Government apparently accept its suggestions, approve its actions and even submit themselves to its surveillance, presumably in the belief that it knows the state of the country better than they. The Director of the Ogpu—Menjhinski—is not a member of the Council of Commissars, though in power and independence he is apparently their equal. He and his organization have no counterpart in any other government.

The existence of this organization, combined with the great bureaucracy which the centralized Soviet economic system has created, have resulted in a general evasion of personal responsibility and disappearance of initiative. Under-officials seem reluctant to let their signatures stand alone on even the simplest receipts. Contact with them leaves the impression that they are afraid of their neighbors, afraid of their jobs and afraid of themselves, though this does not apply to the higher officials.

When the Ogpu goes into action on a large scale, as it did after the British break, it seems to delight in making itself mysterious and terrible. Most of those arrested after the British rupture are said to have been taken from their homes after midnight, with loud rapping on the doors, which terrified the neighbors. The usual punishment inflicted is what is called "minus six," which means that the six principal cities are ruled out as place of residence for those on whom the punishment falls.

Watching for Espionage

I had been told that servants in the hotels were spies of the secret police, and that during one's absence they would certainly inspect one's papers. Each day I was in Moscow I deliberately left numerous papers in a calculated disarray, observing carefully their juxtaposition as I left the room, but I invariably found on my return that the papers were exactly as I had left them. I ought also to say that I found servants in the hotel absolutely honest and their whole

attitude suggested just as much honesty as one would find in the best hotels in Western Europe.

I was impressed with the fact that in practically all my talks with Russian officials, one or two silent witnesses were present. Generally, stenographic notes were taken of the questions asked and answered. Often, these witnesses would, in the course of the conversation, pass a slip of paper to the cabinet minister, obviously making suggestions as to answers that might be made to questions. Even in my talk with Mr. Rykov, the Prime Minister, a man to whom I was not introduced sat opposite me, silent and immovable throughout the whole interview, although Mr. Rykov himself spoke genially, with much humor, and apparently was talking with the utmost freedom.

And though I was not subjected, as far as I can say definitely, to any espionage, it is quite evident that all the government officers were aware of what I was saying or had been saying to others, and what the others had said to me. The consistency with one another of their statements and answers to questions was remarkable. I also noted a very great curiosity on the part of practically every one to know what I was doing and with whom I was talking. One man tried very hard to get me to give him a list of the questions which I expected to ask one of the ministers whom I was to visit. The request came almost daily for a list of these questions, the suggestion being that this was an indirect request on behalf of the minister himself. When I finally saw the minister, however, and told him I regretted I had not had the time to

prepare the list of questions, he immediately said he was delighted I had not done so, because that would have made the conversation too formal. He thought the interview would be much more productive and "sincere" if it were informal and extemporaneous.

There is no doubt whatever that the one unpardonable crime in Russia is to be even suspected of counter-revolutionary activity. It is primarily to protect the revolution that the Ogpu performs. But its methods are as far removed as the East is from the West in its attitude toward justice and human rights. Truly the Ogpu is one of the very dark spots in Russian life. It hangs like a cloud over the whole Russian sky.

IX

HOW RUSSIA LEARNS OF THE WORLD

I TOOK particular pains while in Russia to ascertain the methods by which Russia obtains its information concerning the rest of the world.

The distribution of news is, like everything else in Russia, concentrated in one organization under direct control of the Government. This organization is known as the Tass. No information may be telegraphed into Russia for publication in the newspapers except through the Tass. The Tass then distributes its foreign news through six subsidiary news agencies, which operate in the respective six republics of the Soviet Union. These six agencies gather and distribute all local news for publication within the boundaries of the respective republics. Any news to be distributed from one republic to the other must be passed through the Tass.

There are 360 newspapers in Russia, with a total circulation of 8,000,000. I was told that prior to the revolution the total circulation of newspapers in the country was only about 3,000,000. The Tass maintains correspondents in the more important foreign cities. In addition to the information received directly from its correspondents, the Tass also controls the powerful radio broadcasting and receiving station at Moscow.

Always on duty at Tass headquarters are operators "listening in" to the news distributed from stations all over the world. While in the office of the Tass, I was permitted to listen in to news being given out from a station in London. The Tass thus listens in to what is going on in the rest of the world and tells Russia what it thinks its people should know.

The Tass office in Moscow is equipped with every modern appliance for telegraphic duplicating activities. It sends its news to Leningrad, Kieff, Nijni Novgorod and Kharkov with individual telegraphic printing machines such as are used by the Associated Press in New York to convey its news to the more important newspapers.

There are many newspaper stands in Moscow at which the local papers are sold. A number of German newspapers, particularly the *Berliner Tageblatt,* are on sale at some of the newsstands; English and French labor and radical publications are on sale at a few places. The only place in Moscow where one can obtain foreign books is at a bookstore conducted by the Government Foreign Office itself. The principal foreign books for sale were those on technical and engineering subjects. The only English newspapers I saw for sale in the Government bookshop were the *Manchester Guardian* and the *London Daily Herald,* organ of English labor.

Radio Broadcasting

The use of radio broadcasting is a development of only the past few years in Russia. Here again it would appear that the backward development of the country

in literacy and in journalism is in a sense being bridged over by an extra effort to make use of this new instrument of information, education, entertainment and propaganda.

The masses of workers are said to manifest great interest in radio, particularly in the provinces and in places distant from cultural centers. Radio amateurs who are trade union members are organized into circles at workers' clubs. Radio is now extensively used at such clubs.

On January 1, 1926, workers' clubs had 885 receiving sets, with 774 loud speakers, which could accommodate an audience of 1,000,000 people. The number of receiving sets is much larger now.

Most of the provincial Trades Councils have organized special bureaus or committees to direct the radio service and to work for the development of radio among the organized masses. Such committees or bureaus have been formed in many provincial trade union branches.

The Moscow Trades Council has a large receiving and broadcasting station. This station has special courses and a laboratory for training trade union instructors in radio.

The U.S.S.R. C.C.T.U. (Union of Socialist Soviet Republics—Central Council of Trade Unions) takes an active part in framing legislation governing radio. Workers' clubs, workers and radio amateurs are charged reduced license fees. By government decree, trade union organizations are granted certain privileges in radio receiving.

The trade unions are doing much to popularize radio

among the masses of the people. The number of radio amateurs among the trade union membership is constantly growing. With a view better to cater to the trade union membership of the whole country, the Presidium of the U.S.S.R. C.C.T.U. has decided to erect a large broadcasting station.

In addition, the Tass is the center of a great system of radio broadcasting. Five times a day the news of the moment is collected and read over the wireless telephone at the rate of twenty words per minute to all newspapers within a radius of 3,500 miles from Moscow. Thus is covered the area of all European Russia and of Asiatic Russia as far east as Irkutsk.

The individual newspapers thus receiving their general information assemble it along with their local news, and several times a day broadcast a radio newspaper reaching the people of their respective territories. In addition to these general radio newspapers there are also special radio newspapers broadcasted at regular intervals for the benefit of special classes or groups. There is one for the children, one for those interested in sports, and others for those interested in other specialties.

At a number of places in Moscow, one may see large groups gathered together at all hours of the day. An inquiry will show that this is usually around a street loud-speaker broadcasting a speech, a newspaper bulletin or a wireless musical program—broadcasted by the Government.

In view of the great illiteracy of the people and the small number of newspapers in existence, this system of radio newspapers is somewhat comparable to our

tabloid and motion picture news, and is calculated to produce extraordinary results.

To be sure, the plan is wholly under the control of the Government, subjected to the most thoroughgoing potential censorship. The plan is only two years old and the idea that the people in the villages, separated from railroads and good roads and communication of any kind, should receive any information from the outside world is something new in their lives.

Human nature can certainly be relied upon as time goes on to demand more comprehensive and candid dealing with news and information generally. Indeed, I was told while in Moscow that some of the Labor Unions recently passed a resolution condemning much of the propaganda that is being supplied to them, the condemnation being based not so much on the general political favor of the propaganda as upon the fact that it was stupid and lacking in interest and entertainment.

Wall Newspapers

An interesting feature of Russian journalism is the wall newspapers, deriving their names from the usual custom of posting them on the walls of entrance lobbies in buildings where employees of banks, factories, military companies, etc., may see them. These newspapers often contain illustrations and drawings. They have grown into thousands, and are of real influence.

With rare exceptions, they are typewritten, and are issued in one or several copies. They are the organs of the workers and employees in a given undertaking or

establishment. All the matter printed in wall newspapers, including drawings and cartoons, is contributed by the workers or employees themselves. Those who more or less frequently write for the wall newspapers form a group of "wall-newspaper correspondents," who elect the editors from their midst. In large factories there are many scores of such correspondents. No compensation is paid for contributions to the wall newspapers and all the work is voluntary.

The wall newspaper is a kind of forum where the workers critically discuss all the more or less important matters and events at the plant. Not only are the trade union organizations at the factory or establishment criticized and satirized, but even the plant administration is not spared.

The articles in the wall newspapers are said to assist in the elimination of various defects and in righting the wrongful acts of managements. In State undertakings the administration investigates the facts reported in the wall newspaper and announces through its medium what measures have been taken to remedy this or that defect.

Some wall newspapers in large undertakings gradually become regular newspapers, which are printed in the usual way, having a circulation of several thousand copies. Such for instance are *Vagranka* at the "Sickle and Hammer" factory in Moscow, and the newspaper at a large tobacco factory in Rostov-on-Don.

Many contributors to wall newspapers, having gained experience, later become correspondents for the local and central trade union journals and general publications.

Wall newspapers are published by the factory and local committees, which bear all expenses connected with their publication.

The Printing Press

The State Publishing Department of the Government is responsible for seventy-five per cent of the entire output of the Soviet Union, and represents by far the largest publishing enterprise in the world. Indeed, one of the startling facts in the Russian régime is the complete control of the printing press by the State. The Soviet Government attaches paramount importance to the printed word. Most of the newspapers are published either by the Communist Party, by the Trade Unions or by the Executive Committees of the Soviets. The Russian Communist press publishes scores of letters from workers and peasant correspondents from the factories and from the villages. A large amount of space in the Soviet newspapers is given to the revolutionary movement in other lands, which is registered and observed closely and widely by the U.S.S.R. press.

The official government newspaper in Moscow is the *Izvestia,* or The News. The official newspaper of the Communist Party, edited by Boukharin himself, is the *Pravda,* or The Truth. There is a popular saying in Moscow, attributed to Krassin, that "There is no news in The Truth, and no truth in The News."

During the last few years the number of trade union publishing houses and periodical publications has been constantly increasing. The number of publishing establishments has been as follows:

In 1922	78
In 1923	98
In 1924	105
In 1925	over 200

Many of them are large establishments, as, for instance, the Publication Department of the U.S.S.R. C.C.T.U., "Gudok" (Publishing House of the Central Committee of the Railroad Workers), the Publication Department of the Leningrad Trades Council, "Trud i Kniga" (Moscow Trades Council), "Ukrainski Rabochi," etc.

The growth of the periodical trade union press may be seen from the following figures:

In 1924 were published 22 newspapers and 69 magazines
In 1925 were published 23 newspapers and 89 magazines

The circulation of labor magazines in 1925 was 799,350 copies. That of the newspapers was 911,275 copies. The combined figures for 1926 exceed two million copies. Most of the newspapers and magazines are issued in Moscow, but there are in the provinces a number of trade-union publications which have a considerable circulation.

In addition the monthly publications of the two atheistic societies, the First and Second Society of the Godless, have gained a circulation of some importance and influence, especially in the cities.

A special feature of the trade union as well as of the general Soviet press is the large number of worker correspondents who are said to contribute regularly to the newspapers and magazines. The number of worker correspondents who send contributions to

"Gudok" (organ of the railroad workers) is 19,000, to "Batrak" (agricultural workers) 5,000, to "Postroika" (building workers) 3,600, "Golos Kozhevnika" (leather workers) over 2,000, "Gornorabochi" (miners) 1,390, "Metalist" (metal workers) 1,250.

Publishing Books

Every book issued in Russian is printed by the government printing press. In each of the Russian Republics there is a committee charged with saying what shall be printed. Not even a transfer slip used on the tram cars may go through the printing press without the previous permit stamp of one of these committees.

Among the most popular of the books the Russians are reading are those about "Fordism," as they call it. Samuel Crowther's "Life of Henry Ford" is widely circulated, though Mr. Crowther states no royalties are paid to him for utilizing his copyright. Russians are said to be particularly fond of American humor, and read extensively the works of Mark Twain and O. Henry. The late James Oliver Curwood was a best seller in Russia.

In the publishing system of the Soviet one finds that there is in effect a censorship not merely of a political character but at once upon art and thought and human expression. I tried, but in vain, to find out what opportunity an original thinker would have to get before the world in Russia a novel, scientific book or treatise which the proper committee on publication had decided was not worth printing or might promote individual or unorthodox thinking!

X

HOW THE WORLD LEARNS OF RUSSIA

HOW does the world outside of Russia get its information concerning what is going on in Russia?

The Foreign Office in Moscow showed me a list of all foreign newspaper correspondents located in Russia. Any foreigner going to Russia for the purpose of gathering news must get a permit to perform just this function. Thus the Government knows exactly who all the correspondents are, and is able, of course, not merely to censor their telegraphic information, but, by following up the newspapers themselves, to see what material has been sent out by mail.

There are some forty newspaper correspondents in the whole of Russia representing the foreign press, and practically all of these live in Moscow. All information concerning what occurs within the 13,000,000 square miles of Russia which does not happen to reach these correspondents at Moscow goes to the outside world from the official Tass Agency. The Tass supplies its service to the Associated Press, Reuter, Havas, Wolff and Rengo. Thus, all Russian news, outside of that gathered in Moscow, which reaches the world from Russia itself may be said to be government-made news.

The Russian Government complains vigorously against what it claims is the false news which reaches the world concerning Russia from the capitals of border states, where the political atmosphere is considered hostile. It is insisted that in places like Bucharest, Riga, Warsaw and Constantinople there are veritable news factories manufacturing or concocting false information and forging documents designed to give the wrong impression to, and place a sinister significance upon, what is taking place in Russia. Attention is also drawn to the fact that in both Berlin and Paris there are Russian newspapers published by émigrés, who have been driven out of Russia as a result of the revolution, and that these newspapers are a source of unlimited misinformation concerning what is going on.

The Press Bureau attached to the Foreign Office in Moscow also points out that some 5,000,000 people, a large number of them members of the nobility and the intelligentsia of the old Russia, have now settled in Paris and various other places in Europe. Each of these persons, it is claimed, has social and intellectual connections of more or less importance, and each of these émigrés has some special grudge and grievance against the existing régime. These constitute throughout the world a veritable machine, which spontaneously and inevitably misinterprets to the world everything that is happening within Russia, in addition to spreading unlimited information, often the fruit of imagination or invention, concerning events which never take place at all.

The last day I was in Moscow, one of the officials of

the Foreign Office gave me a pamphlet printed in French containing a long list of documents, many of them presented in facsimile, which the Russian Government claimed had been manufactured in Paris or various other parts of the world, and which were stated to be totally false and unauthorized. When I arrived in London I found a copy of this same pamphlet, translated into English. Thus, the Russian Government has found it necessary to carry on a very definite propaganda of its own, designed to follow up and challenge what it considers to be falsehoods.

The Russian Foreign Office maintains a press bureau under the direction of the very able Mr. Rothstein. Associated with him is a Mr. Shoubin, who has spent much time and learned much of his journalism in New York City. For that matter, it should be said that the greatest of all Russian journalists, Mr. Boukharin, also held at one time the editorship of *Novy Mir* (New World), a Russian newspaper in New York City. But then, to name all the members of the present Russian Government who have either lived or worked in America would be almost to publish a roster of the Government itself.

Under the Press Bureau is the censor. The Foreign Office maintains that the censor is wrongly named; they say that his real title should be "Official to aid the foreign correspondents in obtaining correct information." The newspaper correspondents told me that the censor seldom actually (as was so frequently done during the war) cuts out parts of their despatches. When he finds something in one of their telegrams which he thinks is wrong, he is apt to call the correspondent on

the telephone and advise him that he has the situation inaccurately put down. He then "suggests" to the correspondent what the actual facts are.

I was told that in one case during the last three years the censor had actually refused to forward a despatch. The fact is, however, that no press telegram may leave Russia without the censor's stamp first being placed upon it.

Foreign newspaper writers can use the mails without open censorship, though they reported to me that their letters are apparently carefully watched. The Russians denied that there was a secret censorship of the mail.

Newspaper correspondents state that the difficulty with this whole system is that it makes every correspondent feel that if he wrote candidly and frankly concerning all his impressions of events in Russia he would sooner or later be sure to offend the Government or some of its officials.

Several years have passed, I was told, since the last expulsion of a foreign journalist. Apparently the Government decided that the unfavorable reaction to such a procedure was more harmful than anything a correspondent might write in criticism.

No English Correspondents

Even before the recent break between Russia and England there were no direct correspondents of English newspapers in Russia. Several correspondents of American and other newspapers supplied some information to English newspapers, but there were no correspondents representing exclusively the English press.

Even the Reuter News Agency was not represented in Russia except through the Tass Agency.

One of the American newspaper correspondents gives some information to the *Manchester Guardian.* An Englishman, who is the chief representative of one of the most important American newspapers, supplies some information to the *London Daily News,* and there is also an indirect service to the London daily Jewish paper.

The *London Times* gets its Russian news chiefly from Riga, the capital of Latvia, 800 miles from Moscow. Imagine, for instance, a correspondent getting all of his news in Jacksonville, Florida, from Washington, D. C., and most of it then derived merely from reading Washington newspapers.

American Newspapers Represented

American newspapers and news associations maintain eight correspondents in Moscow. The Associated Press, United Press, the Universal (Hearst) Service, each have their independent representatives. The Associated Press is the one American agency that has access to the Tass news reports in Russia. Individual American newspapers represented by their own correspondents in Russia are: *New York Times, Chicago Daily News, Christian Science Monitor* (Boston), and the *Jewish Freiheit* (New York).

The German press is represented by ten correspondents, the most important of whom is Paul Scheffer, a journalist of great ability, experience and independence of thinking and expression, who does not hesitate to tell the German people—and who is permitted by Mos-

cow great freedom in telling the German public—just what he thinks of what is going on in Russia. The Wolff Telegraph Agency, which supplies news to many German newspapers, has its representative in Moscow, but curiously enough the famous Communist newspaper of Berlin, the *Rote Fahne,* has no correspondent in Moscow.

In spite of the enormous interest to France in what is going on in Russia, only one French newspaper, the *Petit Parisien,* has its own correspondent. It is an interesting fact, however, that the French Ambassador in Moscow, Monsieur Herbette, was formerly foreign editor of the great French newspaper, *Le Temps.*

Italy has three press correspondents in Russia, one of them the correspondent of the Stefani News Agency, the other two correspondents for the *Tribuna* and the *Matina* in Rome. The greatest of all Italian newspapers, the *Corriera Della Sera,* of Milan, has at the moment no personal representation in Russia. The man who acted as the *Corriera Della Sera* correspondent, like some of the other more important newspaper correspondents who have been in Moscow, has gone to China. Indeed very much of the present-day Russian information is most vitally related to what is going on in China. It should also be said that men like Scheffer of the *Tageblatt,* have been selected particularly with a view to the fact that they previously had a long experience and residence as correspondents in China.

Japan maintains two correspondents for individual newspapers in Moscow, as well as a correspondent of the Japanese National News Agency. Two Czecho-

slovakian newspapers have resident correspondents. Several of the Balkan newspapers have representatives; the Swedish National News Agency is represented, and there is also a correspondent of the *Bombay Chronicle*. This paper is apparently alone among the Indian press in realizing the extent to which the eyes of Russia are turned upon India.

XI

PUBLIC AND SOCIAL ECONOMY

SO far as one can tell from the ordinary daily affairs of life, the same factors apparently pertain in the Union of Socialist Soviet Republics as in capitalist countries. One must use money with which to pay for all purchases, and everyone seems just as keen to obtain that money there as anywhere else.

The ordinary current of life seems to run quite normally. The streets are filled with people day and night. There are quantities of shops, just as in other cities, but over half the shops are run by the Government or the coöperative societies, and the rest by private individuals. The shop windows are all full of goods for sale, but the supplies seem to be of rather old stocks, and to be noticeably free of the recent and up-to-date articles which one finds in such profuse numbers in shop windows of cities like Berlin and Paris.

The State issues Lottery Loans, the main prizes of which are of substantial value. Everyone is asked to subscribe to these loans, and they are issued in very small units. I asked a prominent Communist official if the issuance of such loans did not tend to create a new corps of rentiers, who, themselves, would constitute the beginnings of a new bourgeoisie. The reply

to this question was: "Oh, no; these people do not subscribe to these loans with a view to the accumulation of capital; they do it only as a form of insurance against a rainy day!"

The Government is encouraging the use of savings banks, using posters and other forms of advertising to induce the people to save. I was told that interest allowed by the savings banks amounts to 2 per cent per month.

One of the most interesting sources of information concerning the political economy of Russia is to be found in the afore-mentioned English guidebook published by the Government. The book describes the system of barter developed just after the Bolshevik revolution. We are told how even the smallest supplies of goods, including the surplus stocks of grains of the peasants, were seized by the Government, with the result—says the guidebook—that the "peasants felt no stimulus for the raising of large crops, because they were not able to sell. Their surplus stocks were taken away from them by the food levy. In reply, the peasants reduced their tillage to the smallest dimensions."

But in the spring of 1921, Lenin introduced the New Economic Policy, which was nothing except a return to capitalistic principles. Thus, the guidebook triumphantly tells us that "the introduction of Nep meant a turning point in the economic development of the Union. At any rate, since that time, slowly and intermittently at first, but more rapidly and persistently since 1923, there has been a revival of the economy of the country. The New Economic Policy restored economic relations and the exchange of commodities in

the market; it relieved the peasants from the burdens of the food levy; it extended some latitude to private initiative; it guaranteed the circulation of private capital in commerce and industry; it adopted the principle of profit in the management of State industries and commerce."

We are told that the fundamental, socialistic principle of the economy of the Soviet Union is based upon "a well thought out plan." "Competition, the characteristic feature of capitalism, has been almost entirely banished in Russia. There can be no thought of any competition among the individual factories and branches of a State industry."

Incidentally, I was told that the state banking system is greatly over-developed and that the directors find it almost impossible to reduce the number of banks because the managers and personnel, whom they want to discharge, fight against losing their jobs. I was informed that the competition among units of the various state industries remains very keen, the managers hoping to establish reputations for themselves and trying to build up their organizations, so that they will not be eliminated.

The Soviet Government has attempted the gigantic task of "planning" in advance what all industry shall do. When Mr. Hoover, our Secretary of Commerce, goes to his office, he has only to consider methods of promoting commerce. The Soviet "Planning Commission" undertakes actually to direct what shall be produced—and consumed! The Planning Commission is ordered to be always five years ahead of the growth of the country. It works to coördinate industrial

development, highway and railroad buiding and the various hydro-electric power projects, as well as other phases of economic life.

The conduct of industry as a whole is concentrated in a single central body known as the Supreme Council of Public Economy. In the whole Soviet Union there are about 166,000 industrial enterprises, of which 147,000 belong to private persons, 4,600 to coöperators, and 13,697 to the State. The private enterprises are usually small and produce only about seven per cent of the total of the industrial output, and employ only twelve and a half per cent of the employees. The State, on the other hand, employs upwards of eighty-one per cent of all employees.

The industries are organized upon commercial principles, and detached entirely from the State Budget, having to obtain their working capital through bank credits, or, in exceptional cases, by short or long credits from the State Treasury. The state subsidies are given only to major industries which are run at the expense of the State and in which the commercial principle is not adopted. Our friend, the Communist guidebook, tells us the "Trustified industries figure in the budget only by their net profits." The guidebook also says, "Thanks to its powerful position in the economy of the country, the Soviet State exercises a tremendous influence in fixing of prices; quite frequently this influence does away entirely with those unaccountable elemental factors which play an important part in capitalist society."

We are told that "at the beginning of the Nep period, in the years 1921-22, the state was too poor to be able

to supply the necessary capital for the commercial turnover; whatever free funds there were, had to be used in fighting the famine and in restoring the industries. For this reason the State was compelled to permit a large share of the trading operations to fall into the hands of private enterprise."

Describing foreign trade, the guidebook says: "Foreign trade in the Soviet Union constitutes a State monopoly. To allow free foreign trade would have meant to exclude any possibility of Socialist reconstruction and to undermine the very existence of the State industries which were disabled by the great destruction caused by the war and handicapped by worn-out machinery, so that they could not compete with the foreign industries that are able to produce more cheaply."

"The foreign trade monopoly is carried on by the People's Commissariat for Foreign Trade and its auxiliary organs, the Central State Trading Office and the Trade Delegations in foreign countries." The Soviet authorities regard the monopoly of foreign trade as an indispensable bulwark of their economic system. It is the Russian substitute for a high protective tariff.

"When the New Economic Policy was introduced," so the guidebook states, "with the rise and turnover of goods, the development of credits and banking and the calculation of profits on a commercial basis, a stable currency became absolutely indispensable." The banks attend to State and private clients alike, but the latter represent not more than two per cent of the total funds handled.

My first call in Moscow was on Mr. Korobkoff,

Foreign Director of the State Bank. He called my attention to the fact that the only difference between their bank and the New York banks was that in New York there were private shareholders, whereas in Russia the State was the only share or stock holder.

Since 1922, the Russian Government has issued government loans amounting to nearly 1,000,000,000 rubles. The Russian State Bank advised me that up to the end of 1926 the yield of bonds used as pledge for loans rose to thirty-six per cent per annum; from December, 1926, to April 1, 1927, this yield fell to twenty-four per cent per annum; from April 1 to May 12 the yield of these bonds fell to fourteen per cent.

An important by-product of the large number of government-owned trusts and syndicates is the large group of Communist managers and directors who are being forced to think in terms of business rather than of politics. They are being compelled to test theories with facts and results. The very existence of a group with such a training offers hope for the future.

XII

LENIN AND LENINISM

LENIN is the prophet of Bolshevik Russia, the prophet of a new religion. One cannot gain any idea of the present spirit of the people if one does not seek to understand Leninism, and understand it not merely as a social theory but as a religion.

Souvenirs of Lenin are in evidence everywhere. Life-size busts of him adorn the show windows of nearly every other shop; every government office, in fact, almost every office of any kind, contains his picture. The Lenin Institute—a dark, somber-looking place—is an inescapable architectural feature of the city. His tomb, a small, dark red rectangular structure of severe architectural design, suggesting Ancient Egypt, is the principal feature of Red Square, just outside the walls of the Kremlin. Formerly a permit was required to enter the tomb, but now, during certain hours of the day, anyone may go in and after descending some fifteen steps enter the mortuary chamber, where Lenin himself lies enclosed in a glass case for all to see. The glass case is not shaped like a casket; it is more like the glass exhibition cases in a large museum; in fact, the glass is so arranged that one at first is not conscious of its presence. One walks around a small gallery, and the body lies below. The figure

is covered with one of the red flags of the revolution, but the face itself looks as if the man had died but yesterday. I was told that experts who are employed by the Government to examine the body frequently have so far discovered no signs whatever of decomposition, and predict that the secret embalming methods employed will preserve the body in practically its present condition for many years to come.

The temperature in the mortuary chamber is kept at an even state, and all impure air is withdrawn immediately by a system of suction fans. Two soldiers stand at attention at the entrance of the building containing the body, and in the mortuary chamber itself two sentinels of the Red Army stand on guard at all times. There is a constant procession entering the chamber and slowly walking around the body. As one emerges from the building one is besieged by an army of vendors of every kind of miniature souvenir of the visit, just as one finds small relics and souvenirs for sale as one emerges from cathedrals in Western Europe.

Here indeed are the beginnings of a new and veritable religion. As John Maynard Keynes expressed it: "We hate Communism so much, regarded as a religion, that we exaggerate its economic inefficiency; and we are so much impressed with its economic inefficiency that we underestimate it as a religion."

To be sure, Bolsheviks say: "Religion is an opiate for the people." Whether the present attitude of the Russian people toward religion is a reaction against the kind of religion supplied to them in the days of the Tsar or whether it represents a distinct and funda-

mental materialism of its own is a question I asked of many. The answers were not encouraging, and I found many reasons to feel that one of the most serious and discouraging aspects of the Soviet régime is the practical abandonment of the church as a source of spiritual power and inspiration. Religious teaching is forbidden in the schools or churches of Russia to anyone under eighteen years of age. The powers that be evidently feel that after that age no further attention to the subject need be given. Theoretically, religion is free. The Church is separated from the State, and one may worship as one desires, but one is told that the only real religion in which the present régime believes is "Leninism." The keynote of that religion is its materialism—God is banished—the Mass Man is enthroned in his stead. Mechanistic philosophy here comes into its own.

The Essence of Leninism

Not the least striking interpretation of Leninism was given to me by a Russian of the "proletariat" class whose confidence I was fortunate enough to gain in Moscow. He gave me this exposition of Lenin's point of view:

"Things are changing in Russia very rapidly. It is characteristic of the Russian first to do it and then to look around and reflect upon what he has done and whether or not he should have done it.

"Lenin was a great dreamer; he dreamed of creating quite a new world, but when he came into power he found very soon that some of his ideas were mistaken. But he was not only a dreamer but a man of practical

common sense. When he discovered that he had made a mistake he changed. He adopted the New Economic Policy which has revolutionized things in Russia. If he had lived, he would have changed more, and many things would have been very different in Russia from what they are to-day. The government officials think they are disciples of Lenin, but the real spirit of Lenin was common sense—and common sense is getting hold of the Russian people.

"The people are now more demanding—less communistic. Everyone is criticizing and questioning, these days. Besides, the people are being made to work. Laboring men and farmers thought at the beginning that they could lie back and loaf and let the other fellow do it; but they are now finding that they must work. The Government makes loans to the farmers, of horses, agricultural implements and other articles, but checks up to see whether the farmer makes effective use of these articles. If he doesn't, they are taken away from him. The peasants are electing fewer Communists to their Soviets and the Communists who are being elected to all offices are of the better quality.

"The people are thinking—even the farmer is being allowed to think, and to hold meetings. It doesn't matter what he says at such meetings or what he thinks at the moment; the fact that he is allowed to talk and meet is arousing his political conscience and in the long run he can be relied upon to think soundly. The farmer doesn't take Communism seriously as a theory; all he knows is that he has his land securely in his possession, whereas under the Tsarist régime he was virtually a serf and his land was

owned by the nobility. If the farmer produces, he gets money for what he sells. The money is his. He is not apt under the pretext of Socialism or Communism or anything else to allow anybody to take that money away from him."

Other Interpretations of Lenin

Karl Radek, in a book issued while I was in Moscow, relates this instance: "When Lenin once saw me looking through the only published book of his collected articles, dating from the year 1903, his face lighted up with a smile, and with a little sneering laugh he said: 'It is interesting to read what fools we have been once.' "

Radek further says: "I was often struck with the common sense of Lenin; in this lies his greatness as a politician. When Lenin had to decide a question he did not indulge in abstract historical features, he did not think of land tax, of absolutism, of liberalism; he thought of John and Peter from Tver, of the workman at the Putilow Works, of the policeman in the street, and thought how the given measure would act on these people, as bearers of the revolution."

On the eve of the conclusion of the Brest-Litovsk peace treaty, Lenin asked Radek: "Have you not seen that the peasant voted against war?" "When and how did he vote?" asked Radek. "He voted with his legs, by running away from the front," answered Lenin.

Radek also wrote: "The instrument of history is the individual who understands what problems are historically to be solved at the given moment, and who does not struggle for what is desirable but unattain-

able. The greatness of Lenin lies in the fact that no formula created yesterday prevented him from seeing the modifications of reality and that he courageously threw off any formula established even by himself, if it interfered in his grasping the actual reality."

Stalin's Ideas of Lenin

Stalin wrote a book last year entitled: "Theory and Practice of Leninism." It is a closely written document dealing with extraordinary cleverness with the philosophy and technique of revolution. In the course of his book Stalin says: "The front of capital will not necessarily be pierced where industry is most developed; it will be broken where the chain of Imperialism is weakest, for the proletarian revolution is the result of the rupture of the chain of the Imperialist front at its weakest point.

"Where is the chain going to be broken next? It is not impossible, for example, that it may be in India. Why? Because in that country the revolution has for its enemy a foreign Imperialism, deprived of all moral authority and hated by the oppressed and exploited masses of India."

In another part of his book Stalin deals at length with the idea of the "permanent revolution," and he asks: "Why did Lenin oppose the idea of a permanent revolution?" His answer is: "Because Lenin wanted to crown the revolution with the coming of the proletariat to power, while the partisans of the 'permanent revolution' wanted to begin by the establishment of the power of the proletariat. Thus Lenin opposed the idea of a 'permanent revolution'."

Stalin says: "Russian revolutionary inspiration and the practical spirit of the American are joined into a harmonious union in Leninism. Russian revolutionary inspiration is the antidote against routine, conservatism, ideological stagnation, slavish submission to ancestral traditions. It is the vivifying force which awakens thought, pushes forward, breaks the fetters of the past and opens out vast perspectives; without it, progress is impossible; but in practice it degenerates into empty 'revolutionary' phraseology if it is not allied with American practicalism."

Stalin quotes Lenin as having said: "The man who is a member of the Communist Party, who has not been as yet expelled from it, and who imagines he can succeed in every task by drawing up Communist decrees is guilty of Communist vanity."

Stalin adds: "To revolutionary fantasy Lenin usually opposed ordinary, everyday tasks, thus emphasizing that revolutionary fantasy is contradictory to the letter and spirit of Leninism." Lenin is quoted as having said: "Fewer pompous phrases and more everyday work—less political clatter and more attention to the simpler, but more tangible facts of Communist construction. . . ."

Then Stalin concludes: "The American practical spirit, on the other hand, is the antidote to revolutionary fantasy; it is a tenacious force for which there is no such thing as the impossible, but which patiently surmounts every obstacle and carries through to the finish every task, however small, that it has once begun."

Though Lenin could see clearly the necessity, when

the crisis arose, to adapt his theories to immediate reality—and had he lived there is reason to believe that this capacity to see necessity might have led the Russian people much more rapidly back toward normality —nevertheless, he apparently lacked a broad insight into the fundamental realities of human nature. It was in this lack of understanding of broad world realities that, as Rene Fülöp-Miller so well says, "We must seek for a solution of the extraordinary riddle of Bolshevism, for an explanation of how an attempt to reshape the world by purely practical means could lead to results so utterly fantastic, so opposed to all common sense, so absurdly abstruse."

Whatever may be one's opinion of Lenin's philosophy, no one can deny that as a man he was one of the most astonishing personal forces of our times. Really to understand Bolshevism one must study Lenin and Leninism, and that study would involve one in a vast research into Russian character and history as a whole.

XIII

RYKOV—AND THE GOVERNMENT

THE actual head of the Soviet Government is Alexis Ivanovich Rykov, who enjoys the somewhat unique distinction of being one of the few high officials in Russia whose official name is his real name. Most of the members of the cabinet have been imprisoned, have been exiled and have had to resort to every expedient in the form of false passports, false names and other devices in their game of hide and seek with the Tsarist Government. In fact, all of these men bear upon their faces and in their lack of bodily health unmistakable evidences of the hardships through which they have passed. The nominal head of the government is the peasant Kalinin, President of the Union, but he is largely a figurehead.

Rykov has always lived and worked under his real name. He is forty-six years old, and, in appearance, suggests Mr. Montagu Norman, Governor of the Bank of England. Mr. Rykov's title is "President of the Council of People's Commissars." His office is in the Kremlin, in the same suite of rooms in which Lenin used to work. His manner is mild and his general attitude one of geniality and good nature.

Rykov is a real Russian, and there are not many

such in the Soviet Government. He was educated as a lawyer, but very early manifested revolutionary tendencies, at Saratov, where he lived.

In 1902 Saratov became a sort of "All-Russian" center of revolutionary activity. Rykov wandered about the country, engaging in various revolutionary activities, from one prison to another. He spent, altogether, five and one-half years in jail; he was deported three times. Describing his own life, he says:

"In the short intervals of 'liberty,' villages, towns, people and events seemed to pass in front of me like in a cinema, and the whole of the time I was hurrying somewhere in cabs, on horseback, or by steamers. There is no house in which I lived more than two months. At the age of thirty I did not know how to obtain a passport, and had no idea of what it meant to have a constant residence."

Early in his career, Rykov established connections with Lenin, at Geneva, and under Lenin's general direction engaged in active revolutionary efforts in Russia. In 1905 he was at the Congress of the Bolshevik Party in London, and ever since then he has been one of the real leaders of Communism.

At the Helm

After the 1917 revolution in Russia, Rykov became one of the chief lieutenants of Lenin, and when Lenin became ill, in 1921, Rykov was designated to replace him. When Lenin died the Bolsheviks placed Rykov at the helm of the State.

Rykov received me in his offices in the Kremlin, and asserted his extreme eagerness to develop an under-

standing with the Government of the United States. Some idea of Rykov's general point of view may be gathered from the following quotations from his sayings:

"Our State is the only one in which the working class is in power. It is surrounded on all sides by bourgeois states. We cannot disguise from ourselves the fact that simultaneous existence of two systems—the Soviet system of our State, our dictatorship of the proletariat, and the system of capitalism—is permanently impossible; one of these systems must squeeze out the other.

"The struggle of these two forces is inevitable, and sooner or later it must mean that either capitalism will choke our Republic or the Socialist movement in the whole world will lead to the victory of the working class.

"Therefore, a breathing space is absolutely necessary for us. While between bourgeois states there may be talk of a long and stable alliance, here we speak only of an interlude, of the fact that the inevitable struggle of the two principles—the socialistic and the capitalistic —is postponed, but in no wise can we avert the inevitability of a decisive struggle of capitalistic and socialistic forces.

"The Most Peaceful State on Earth"

"Not in vain did Lenin say that the main collision was still of the future. But at the same time we are the most peaceful State on the whole earth, the most peaceful because peace is necessary for us for the development of our constructional work. And whatever may be the armed collisions in the West, certainly our

country will take all steps in order not to be drawn into war."

On February 23, 1926, Rykov addressed a proclamation to the Red Army as follows:

"The country is proud of our Red Army, and on its eighth anniversary I wish it to hold a gun in its hands as firmly and use it as skilfully as it has done up to this time. Only on this condition can the toilers of the Union of Socialist Soviet Republics construct a Socialist State, awaiting that moment when the victorious proletarian revolution in all the world will make unnecessary the existence of armies and arms."

In spite of such phrases concerning world revolution and the Red Army, Rykov is much concerned over obtaining the necessary capital with which to build up Russia to-day. In an address before the Communist Party Congress on October 30, 1926, Rykov said:

"The fate of the October revolution and the practical realization of Socialism are bound up with the question of whether we can find the necessary means to rebuild the whole of our economic structure through the development of extensive industries. For this reason the question of sources of capital is of determining character for the whole of our party policy in the immediate future."

The Government

In accordance with the Federal Constitution adopted on July 6, 1923, the Soviet Union is a voluntary association of its six constituent sovereign nations, each Republic reserving for itself the right of free withdrawal from the Union.

The supreme organ of authority is the All-Union Congress of Soviets. This is composed of about 1600 representatives of town and township Soviets, and of provincial Congresses of Soviets.

The right to vote is very broad. The principal groups disqualified are those engaged in private business or employing others who are known as "profiteers" or "exploiters of labor." In general, any Russian who works can vote.

The executive power becomes concentrated through a series of Soviets or Councils, the lower Soviets electing delegates from their own number for membership in the higher ones. This enables the Communists, who are very greatly outnumbered at the beginning, to tighten their control, as delegates are more and more removed from the people.

During the interval between the All-Union Congresses of Soviets, the supreme authority devolves upon the Central Executive Committee, consisting of the Council of the Union and the Council of Nationalities.

The Council of the Union is elected by the Congress from representatives of the six constituent republics, in proportion to their population, in all to a total of 450 members.

The Council of Nationalities is formed of representatives of the constituent and autonomous republics, five delegates from each, and of representatives of autonomous areas, one delegate from each, in all 131 members.

The Council of the Union elects the People's Commissars of the Union, who constitute the Cabinet, or Council of People's Commissars, of which Rykov is

chairman. Each Commissar has a little cabinet of his own, called the "Collegium." If the Collegium agrees with the Commissar, he may go ahead with his decisions, but a subordinate member of the Collegium may force review by the Council of Commissars as a whole of any decision of a Commissar not supported by his Collegium.

Commissars draw a salary of about $115 per month. Indeed, that is all any Communist is permitted to receive as a government salary. There are but few perquisites, and the laws against graft are extremely severe, certain offenses being punishable with death. I did not hear anybody accuse the higher officials of graft or dishonesty, although there is said to be plenty of that in the lower levels. The death penalty, I was told is quite often inflicted for this offense.

XIV

STALIN—AND THE COMMUNIST PARTY

STALIN, "Man of Steel," is the political boss of Russia. He is not in the Government, and his only title is "Secretary General of the Communist Party." The Government of Russia is in some ways organized like that of New York City. There is the nominal government, presided over by the various heads of departments or "commissars," and behind it is the hidden government of the Communist Party, just as in a sense there is the real government of New York City in Tammany Hall. Stalin, as the head of the Communist Party, is the "Charlie Murphy" of Russia, and he has many characteristics of the late Mr. Murphy, the chief of them being that he works silently and away from the public gaze.

He makes practically no speeches; he sees but few people—even among his own party; he gives no newspaper interviews; none of the foreign newspaper correspondents in Moscow ever visits him; when he goes to the opera he sits in the back of an obscure box; when he appears at meetings of the Communist Party he sits in one of the back rows on the stage or speakers' platform. Yet everyone recognizes his power, and there is general agreement that much of the immediate destiny of Russia is in his hands.

Stalin is a Georgian; he speaks only Russian; none of the foreign diplomatic ministers accredited to the Soviet Union meet him; he is said to derive his power from his excellent ability as a party organizer, from the fact that all of the leaders of the party trust him, and from the further fact that his judgment upon policies is regarded as sound.

Stalin, of course, has been a revolutionist for many years. In fact since 1900, he had been one of Lenin's chief lieutenants.

Stalin Suggests Soviet Republics

Stalin became an important figure during Lenin's rule in 1921. It was Stalin who suggested to Lenin that Soviet Republics be established all over the former Russian territory, giving different nationalities the opportunity of ruling their people through the local Communist Parties. He suggested to Lenin that it would be impossible to rule the whole of Russia through one Central Communist Government in Moscow. But to secure control over those different Republics he prepared a scheme by which important leaders of the Communist Party were sent to the different Republics as delegates of Moscow and were appointed as "secretaries" to the local Communist Parties. They are the counterparts of Tammany Hall district leaders. Through the leaders of the local Communist Parties they practically control the policy of the Governments in the different Republics.

Not only were secretaries appointed to the different Soviet Republics but the party also appointed secre-

taries to the different Soviet Embassies and trade delegations abroad. Stalin resigned from Government office to become Secretary General of the Communist Party; he has taken control of all local parties and is personally in contact with all these secretaries. Through the secretaries he obtains the support of the majority of Communist leaders by giving them important posts in the different Russian commercial and industrial trusts and high positions in the Government.

Stalin, who was a great admirer of Lenin, believes that the existence of the Soviet Government does not depend upon the dictatorship of labor but depends on the support of the peasants, and he therefore is said to be doing his utmost to depart in many instances from simple socialistic doctrines, and to encourage capitalistic enterprise when capitalism can provide the peasants with cheap products.

Stalin is the great interpreter of Russian politics. He is also a singularly clever writer, and has mastered the philosophy and technique of revolution to a remarkable degree. His writings display amazing clarity, terseness of expression, and comprehension of thought in his own particular line.

The Communist Party is virtually a unit behind Stalin. In recent years, an "opposition" developed, which may be roughly divided into two parts. One section, led by Zinoviev and Kamenev, insisted on creating a strong labor movement which would be a "dictatorship of labor" above the capitalist and above the peasants. They feared the belief that each individual peasant is a "capitalist" by nature.

The second section, led by Trotsky, was of opinion that it is necessary to create a dictatorship of labor with the same object, but Trotsky did not believe that a labor movement could be successful without capital. He strongly believed that the country can be built up only by foreign capitalists who have experience and money, and that unless Russia is built up industrially and commercially the rulers of Russia, whoever they may be, will have a hard time to rule Russia.

Both factions, including a number of the most intelligent and experienced men in Russia, have now been completely defeated. Stalin is undisputed master in Russia as a result of this victory over Trotsky.

The fundamental fact appears to be that the Communist Party is coming to be more and more the Russian Party. The members of the Party who had lived most of their lives in Europe are being frozen out.

Stalin himself says of Trotsky and the two points of view in Russia:

"Lenin and Trotsky present two entirely opposing theses. Whilst Lenin was of the opinion that the victory of Socialism is possible in one country, and that the proletariat can not only maintain the power once seized, but can go forward and will be able to render efficient help to the proletariats of the capitalist countries, Trotsky represents the standpoint that unless a victorious Russian revolution is followed within a very short period by victorious revolutions in other countries, the proletariat here will not even be able to retain power, since it is hopeless to suppose that a revolution-

ary power can be maintained in Russia in face of a conservative Europe.

Basis for Building Socialist State

"Our revolution is a Socialist revolution, a revolution which is not only a signal, an impetus, and a point of departure for the world revolution, but at the same time a basis for the building up of a complete socialist state of society in our own country.

"We can defeat the capitalists, we can work at our socialist structure and build it up. But this does not mean that we are therefore in a position to secure the protelarian dictatorship against external dangers, from the dangers of intervention and the possibility of the restoration of capitalism.

"We are not living on an island, but in the midst of capitalist countries. The fact that we are working at constructive Socialism, and are revolutionizing the workers of the capitalist countries by our example, is bound to arouse the hate and animosity of the capitalist world.

"They accuse us of conducting special propaganda against Imperialism. The English Conservatives affirm that Russian Communists seek to destroy the might of the British Empire. This is all sheer nonsense. We do not need any kind of special propaganda either in the West or in the East, since labor delegations themselves and natives of colonial countries are coming to us, acquainting themselves with our order of things, and are carrying away word of our new order of things through all the countries of the West. No other propaganda is needed by us. This is the best, the strongest,

and the most effective propaganda for the Soviet structure against capitalism.

"We sympathize with the Chinese revolution in its struggle for the emancipation of the Chinese people from the yoke of the Imperialists and for the unification of China into one state.

"Chang Tso-lin is perishing. But he is perishing not only from this but also from the fact that he constructed his entire policy on the differences between us and Japan. Every general, every ruler of Manchuria, who builds his policy on differences between us and Japan will necessarily perish. Only that one of them can stand on his feet who builds his policy on the improvement of our relations with Japan and our rapprochement with Japan. Out interests lie in the rapprochement of our country with Japan."

In recent months, particularly since the break between Russia and England, Stalin, with many other Bolshevik leaders, has been obsessed with the idea that Western nations were plotting an armed attack upon Russia. In the *Izvestia* of July 28, 1927, Stalin was quoted as saying:

"The most acute question of the moment is the menace of a new Imperialistic war. This is not an unreal, immaterial menace; it is a very real and actual threat of a new war in general, and a war against the U.S.S.R. in particular.

"It should not surprise us that the English bourgeoisie and their executive staff, the Conservative Party, have initiated the creation of this front. . . . Since the great French revolution down to the present upheaval in China, the English bourgeoisie have

invariably stood foremost in the ranks of those who try to crush the movements of humanity towards liberty. Never shall Soviet people forget the violation, pillage, and military intrusion from which our country suffered a few years ago at the hands of English capitalists. It is quite in the nature of things that English capitalism should assume the leadership in the war against the world center of the proletarian revolution, the U.S.S.R.

"What is then our next problem? Our problem is to sound in all countries of Europe the alarm of a new war menace; to keep the workers and soldiers of capitalist countries on constant watch, to form the masses so that they may meet, in full array of revolutionary battle, all attempts of bourgeois governments at organizing a new war."

On this very point, a speech of David Lloyd George, before the League of Nations Union, of England, delivered October 24, 1927, contained this passage:

"Two-thirds of Europe," he said, "is armed to the teeth. Over ten millions of men are practically in arms. They have weapons infinitely more formidable and destructive than those with which they were equipped in 1914. That is the state of the Allied nations.

"There is Russia in the background, sulking and resentful of her exclusion from the society of nations, becoming stronger each year, ready for any chance to hit back, and with those chances bristling everywhere.

"When Russia emerges from her internal entanglements she will be the most redoubtable country on

earth, and therefore I attach great importance to bringing Russia back to the fraternity of nations. It is one of the risks of peace, and I do not minimize it, but it is not comparable to the risk of leaving her out in the dark."

Stalin, who represents a moderating or compromising policy, is entirely in power in Russia as a result of his victory over Trotsky's oppositional group. This opposition was based very largely on the thought that Stalin is abandoning some of the most important planks in the revolutionary platform. But he is a politician and is apparently determined to hold on to power.

It is interesting to note the method of his influence on the government. He is the chief factor of the Politburo which is the highest authority in the Communist Party. There are several members of the government also on the Politburo, including Rykov, Vorishiloff, the Commissar of War, and Rudzutak, the Commissar of Railways and Transport. Like Stalin, they are moderates. Tomsky and Boukharin, the more radical members of the Politburo, are not in the government proper.

In the course of the running fight between Trotsky and Stalin, Trotsky produced a letter which Lenin wrote just before he died, saying:

"Stalin is too rough—a defect fully tolerable in our midst but it becomes intolerable in his post as secretary general. Therefore I propose, comrades, a deliberate means of taking Stalin out of his post and replacing him by some one differing from Stalin in the following respects—more patient, more loyal, more

courteous, more attentive to his comrades, less capricious."

Answering Trotsky's charges, Stalin admitted that Lenin had willed his dismissal from the post of general secretary of the Communist Party, and declared:

"Yes, I am rough."

He looked Trotsky straight in the eyes. "Yes, I am rough," he repeated. "Rough regarding those who roughly and faithlessly try to destroy the Communist Party."

Stalin added that he knew Lenin wanted him removed from his post, and he had pleaded with the Central Communist Committee to fulfill Lenin's wish, but it was not heeded. Stalin is the man to watch in Russia.

XV

BOUKHARIN—AND THE INTERNATIONAL

THE stormy petrel of Russia is Boukharin, editor of the *Pravda,* the organ of the Communist Party, and President of the Communist International. Boukharin is essentially a journalist, a theorist and a firebrand generally. He has never had real responsibility, and his writings in the *Pravda,* as well as his reports to the Communist Party and the Communist International, indicate his dangerous character.

Boukharin was the only man of importance in Russia with whom the Government refused to arrange an interview for me. They said that they had no official relations with Boukharin. It is very evident that the Foreign Office of the Soviet Government is chary of displaying any connection whatsoever or any affiliation with the Communist International.

Boukharin is very frank in his views, and sets them forth with great vehemence in the *Pravda,* but the impression I gathered in Moscow was that Boukharin's influence was diminishing, even though he is still a member of the Politburo of the Communist Party.

Boukharin is a great protagonist of the Chinese revolution, and is violently hostile toward England. Here are some of his utterances:

"The main facts of economic life since the war in

respect to countries as economic units, are: the growing and leading importance of the United States, the decreasing importance of England, the modification in the industrial development of France, and the growth of German capitalism tending to become again the central economic force of continental Europe. On these economic facts is based the new grouping of the powers, this regrouping tending toward the ruin of the Entente, the dissolution of the League of Nations, the negation of the Treaty of Versailles.

"The struggle against the advance of capital and capitalist rationalization is the chief object of the Communist parties in the capitalist countries. . . . Communists must lead the workmen.

Against Trustification

"The trustification of production must be strongly opposed by the workmen as it only increases the forces of capital. Unity in pursuing these aims must increase the strength of the working class.

"A general increase of class conflicts may be expected in the nearest future as a consequence of capitalist rationalization. The duty of the Communist parties, therefore, is to mobilize immediately the working classes, to lead them, in their general struggle, to support energetically the smallest strike, and to develop the most active policy in the leadership of the masses. . . .

"The Communist must devote great attention to the unemployed, attract these masses of exploited workmen, must paralyze all attempts of fascism to win the working classes to its cause. . . . In its struggle against

the propaganda of the Social Democrats, their support of the League of Nations and any kind of other groupings such as Pan-European federation and others preparing a new phase of capitalism—the Communists must put forward the program of the proletarian revolution, of the workmen and peasant coalition, of the dictatorship of the proletariat."

In reporting to the Communist International at its session on the 23d of November, 1926, Boukharin said:

"The Communist parties are the parties of the world revolution! The Comintern is the world organization of the proletariat for the preparation of the world revolution!

"It is often said that we have been deceived, and that our hopes have been buried because the international revolution has not come, and that we ought to resign ourselves to hard necessity and cease to be that which we have been up to now. To that we reply that the international revolution will not only come but that it is already a fact. It is absurd to believe that there exists a certain predestined and mysterious hour when His Majesty, the proletariat, will succeed to power.

"The international revolution is a gigantic growth which is carried on for tens of years. The process commenced during the Imperialistic war; it will roll on in a great number of countries; it has led our country to solid dictatorship; it has thrown overboard some crowns in central Europe; it has stopped in certain directions but it is already resumed in other parts of the world. If we penetrate the meaning of the great

events in China, we cannot but see that the Chinese revolution is an integral part of the world revolution that exists already—which will not come but which is already here.

"The world revolution will be at the end of its course when it has triumphed in all countries. The cycle will then have run its course, but one could not say that the revolution does not exist now. But we ought to pray to the Communist Good God and the Communist Holy Virgin that the world revolution may descend finally on our sinful earth."

The Incendiary Mind

These quotations have been given to show the character of Boukharin's mind. It is incendiary from every point of view, materialistic, destructive. And the Communist International is the supreme danger which menaces modern civilization. So-called "Bolshevik propaganda" gets all its drive from the International.

Among the resolutions adopted by the enlarged executives of the Communist International last December was this statement:

> "The Social Democratic theory that the workers of one country should not interfere with the workers of another country runs counter to the very ideas of international and class solidarity. Hence the revolutionary workers have interfered, do interfere and will interfere in the future in the affairs of the workers of any country in order to render them aid."

The kind of aid the Communist International is able

to render is in providing leaders skilled and trained in the technique of revolution. Wherever there is trouble, there is place for the delegate of the Comintern to organize it and give it direction. And such delegates are taught that any means to secure the end is justified.

While the International is led by Russians, its membership is spread throughout the world. It is harbored by the Soviet Government, and its offices are an important feature of Moscow. But in fact it is an organization without a country, a world outlaw—an organization to which modern civilization can give no quarter.

XVI

TROTSKY—AND "THE OPPOSITION"

TROTSKY has been ejected from the Communist Party—the next most final thing to death for a Russian politician. His opposition to the party majority was based on many disagreements of policy, but the "sin" for which he was expelled was in continuing his opposition after a party majority had voted him down. Yet he remains a popular hero of the revolution.

The extreme care with which the government prepared before taking from Trotsky any of the public offices which he once had, seems to reveal doubt and fear regarding his political strength. The whole process of reducing him from high position, which culminated in his expulsion from the Communist Party, required several years of persistent newspaper and magazine hostility. Even the radio and the moving pictures were used to belittle him.

Karl Radek, who was ejected from the Communist Party in company with Trotsky and for much the same reason, in speaking of Trotsky, said:

"The history of the proletarian revolution has shown that pens can be melted into swords. Trotsky is one of the best writers on universal Socialism, but his literary capabilities have not prevented him from being the first leader, the first organizer of the first prole-

tarian army. The pen of its best public writer was changed by the revolution into a sword."

Trotsky is another Bolshevik leader who is ill. At the moment he is not only ill physically, but entirely suppressed politically. In Moscow he is not allowed to see foreigners except by permission of Stalin. He remains amazingly popular with the people in spite of his attitude toward the Government, and any announcement that Trotsky is to speak always draws a great crowd.

Trotsky is the leader of the "Opposition." His chief allies in that leadership are Zinoviev, Kamenev, Radek, and Rakovsky—all members of the inner group which, with Lenin, seized power in October, 1917, and all now expelled even from the party itself.

The very fact that an opposition could arise and continue for several years seemed to show the first feeble beginnings of government by open discussion, but Stalin and the party majority at last won such a complete victory that the privilege of expressing one's views, if they are different from those of the majority, is apparently still a dream of the future.

If there are fundamental principles really at stake between the Government and the Opposition, perhaps they can be thus classified:

Stalin believes that the party policy must be based primarily upon regard for the welfare of the peasant, or farmers; the Opposition maintained that the Dictatorship of the Proletariat can rest only upon primary regard for the interests of the proletariat, or the individual workers.

These fundamental principles are of course enmeshed

in a network of personal feuds, bickerings, accusations, and intrigues which make any clear-cut issue indistinguishable. Trotsky himself has often changed his views. He is said to have been a Menshevik at heart even at the time of the revolution of October, 1917. His brilliance, rather than his trustworthiness, has been his chief asset.

Aside from the politics of the situation, Trotsky has thought through the real problems which face the socialistic government more thoroughly and frankly than any other Bolshevik leader. He thus sums up this situation:

"The superiority of capitalist technical science and economics is still enormous; the ascent before us is steep; the problems and difficulties are truly vast. To find a way and to mark it out is only possible with the measuring instruments of world economics in our hands.

"Henceforth, we must know definitely at any given moment to what extent our production in quality and price is behind the European or the world market. These new gauges, these new coefficients, not on a national but on a world scale, will be the only ones competent to register the different stages of the process described by Lenin in his formula, 'Which is going to score?'

"In world economics and world politics all depends on the rate of our development; that is to say, the rate of the quantitative and qualitative growth of our output. To-day, our backwardness and poverty are undoubted facts, which we do not deny but emphasize in every way. Is there not a danger in the near future

that when we shall have barely risen firmly to our feet the world market will crush us by the immense superiority of its wealth?

"To that question, there can be no definite, incontestable answer. Similarly it would be impossible to give a categorical answer to the question as to whether capitalism will succeed—should its temporary and very relative tenacity continue to mobilize against us serious armed forces and by means of a new war check our economic progress. Here the problem is one of struggle, where creativeness, maneuvering, energy and suchlike factors play an enormous and sometimes decisive part."

Rykov, in his report to the All-Union Congress of Soviets in 1927—the nearest parallel to the United States Presidential messages—echoed this thought of Trotsky's when he said: "We are still far behind the capitalist states in the organization of work and even in the organization of production. In many departments our country is technically backward as compared with bourgeois countries."

And then Rykov added this illuminating confession: "We have taken up constructive Socialism on a gigantic scale and we are expending enormous amounts, but we have not learned how to build cheaply, economically and rapidly."

In this connection, Trotsky's statement may be recalled, that Soviet Russia must produce more cheaply or go down.

It is worth noting that Rykov, in his former statement, said that the Bolsheviks have taken up "constructive Socialism," and he did not call it communism.

Trotsky sets forth the manner in which the mind of the Russian peasant probably works when he says:

"The peasant used to be familiar with the Austrian scythe, and always compared it with our own. He knew the American McCormick, the Canadian Harris, the Austrian Heid, and others. Now that agriculture is developing and there is a new demand for agricultural machinery and implements, these comparisons are reviving with the addition of the fresh comparison of the American Ford with our own make. When a peasant buys a horse threshing machine and the inferior iron gear wears away in a few hours before his eye, he registers the fact in his mind with a very high coefficient of profanity indeed.

"Driving in a cart, we measure the miles by the eye or by hearsay; a motor car has a speedometer. In the future our industries must advance with an international speedometer, the register of which shall be our guide, not only in the important economic measures we introduce, but also in many of our political decisions. If it is true that the success of a régime depends on increased production—and for us Marxists this is an axiom—then an exact quantitative and qualitative measurement of the production of Soviet economics is needed, not only for present market purposes but also in order to estimate the successive stages of the historic road we are following."

Trotsky declares that up to now Russia has been working on existing basic capital. "In the future," he says, "we shall have to create new basic capital. This constitutes the fundamental difference between the coming economic period and that which is now passing.

"The struggle for our Socialist 'place in the sun' must inevitably become a struggle for the highest possible coefficient of productive growth. The basis, and at the same time, the 'limit' of this growth is, after all, the volume of material values.

"Historic development has resulted in capitalism becoming for a time the creditor of Socialism. Well, was not capitalism nourished at the breasts of feudalism? History has honored the debt. Concessions come into the same category. A concession combines the transfer to our country of foreign plant, foreign productive formulæ, and the financing of our economy by the resources of world capitalist savings.

"The present achievements of foreign laboratories, the vastness of foreign power stations, and the success of American factories in specialization are immeasurably greater than our present achievements. We are becoming a part, a highly individual but nevertheless component part, of the world market.

"Our previous independence of the fluctuations of the world market is going. All the fundamental processes of our economy not only come into close relation with the corresponding processes of the world market, but are being subjected to the laws governing capitalist development, including changing conditions. We thus arrive at a position where, as a business State, it is to our interest to some extent at least to have improved conditions in capitalist countries, for, if conditions in those countries were to grow worse, it would to some extent be to our disadvantage.

"Our present order is based not only on the struggle between Socialism and Capitalism, but—to a certain

extent—on the collaboration between them. For the sake of the development of our productive forces, we not only tolerate private capitalist enterprise, but—again to a certain extent—we foster and even 'implant' it by the granting of concessions, and the leasing of works and factories. We are extremely concerned with the development of peasant agriculture, notwithstanding the fact that at the moment it is almost entirely individualistic in character, and that its growth feeds both socialistic and capitalistic tendencies of development. The danger of the coexistence and collaboration of the two economic systems—the capitalist and the Socialist (the latter adopting the methods of the first)—lies in the fact that the capitalist forces may get the best of us.

"While tolerating the existence of capitalistic tendencies, the workers' State is to some extent able to hold them in check by fostering and encouraging Socialist tendencies in every possible way. The means of doing this are: a sound fiscal system and measures of general administration; a system of home and foreign trade; State aid to coöperation; a concessionary policy in strict conformance to national economic needs—in a word, an all-round system of Socialist protection.

"Of course, loans, concessions, and the growing dependence on exports and imports have their dangers. In no one of these directions can we let go the reins. But there is an opposite danger equally great; this consists in a slower rate of progress than would be possible by an active utilization of all world possibilities. And we are not free to choose the rate of our develop-

ment, as we live and grow under the pressure of the world market.

"If capitalist production were in the next few decades to commence another period of mighty growth, this would mean that we, a Socialist State, though preparing to change and already changing from a freight train to a faster passenger, would still have to catch up with the express. To put it more simply, it would mean that we had made a mistake in the fundamental estimation of history. It would mean that capitalism had not yet exhausted its 'mission' in history and that the present imperialist phase was not one of the decline of capitalism, its last convulsions, but the dawn of a new prosperity for it.

"It is quite clear that under conditions of a new and protracted period of revival of capitalism, both in Europe and the rest of the world, Socialism in a backward country would be confronted with great dangers. Of what kind? A new war, which again would not be prevented by a 'tricked' European proletariat—a war in which the enemy would oppose us with a superiority of technical resources? Or would it be by an influx of capitalist goods, incomparably better and cheaper than ours, goods which would break our foreign trade monopoly and afterward the other foundations of our Socialist economy?"

Who could thus prophesy better than Trotsky himself what to him was only the possible fate but which we consider to be the certain disaster of the whole Bolshevik experiment?

It must not be forgotten, in judging all that Trotsky says, that while he is a realist in facing the economic

problems of Socialism, he is no less confident of the successful ability of a Soviet State to meet these problems—unless, as he says frankly, the Bolsheviks have "anticipated history."

Yet Trotsky believes in plunging along vigorously with active efforts for present and "permanent" world revolution, just the same! Trotsky for the moment, however, has been exiled to remote Siberia along with many other "oppositionists." It is a significant fact that the most radical and uncompromising group of Lenin's original confreres in the "October" Revolution has now been completely disgraced by the powers that be in the Soviet Government.

XVII

RADEK—AND BOLSHEVIK PROPAGANDA

THOUGH he is entirely out of power, Karl Radek was, with the possible exception of Stanislavsky, of the Moscow Art Theatre, the most interesting man I met in Russia. Before I went there I was told he was the greatest journalist in Europe, and certainly I found in him a man of extraordinary breadth of information, and with a philosophical attitude toward life. He is the Russian counterpart of J. L. Garvin, editor of the *London Observer.* It is almost impossible to realize that men can be revolutionists and yet be so calm and friendly and genial about it as Radek. He concedes that he is one of the reddest of the Reds, but his attitude toward revolution is entirely objective. Whereas I had expected on coming to see him to hear a tirade against capital and Western (modern) life, I found him most cordial and genial. He is amazingly well posted concerning American affairs. On his table were copies of the *New York Times,* the *New York Journal of Commerce,* and other American papers. His rooms are a mass of papers, documents and books.

Radek was also President of the Chinese University in Moscow, at which some 600 Chinamen are in residence. I asked him how many of them are Commu-

nists. His reply was: "About 200 are confessed Communists, but that doesn't make any difference; the chances are that the 400 who call themselves capitalists may be Communists when they get out, and the 200 who think they are Communists now may turn out to be capitalists in sentiment. What makes a man either a capitalist or a Communist is not what he is taught in school but his experience with life."

I asked Radek about Bolshevik propaganda in the United States, and he said: "How can you expect us to make successful propaganda against 23,000,000 motor cars? We know your workingmen are well employed and at high wages; if there were oppression and trouble in America, perhaps our propaganda could make some headway, but at the present time anyone who thinks we expect anything of the United States is to be laughed at.

"The whole basis of Bolshevik propaganda was stated by a great Chinese philosopher, Mencius, thousands of years ago, when he asked the question: 'How can you expect a man with no work and no food to have a quiet brain?' "

Nature of Bolshevik Propaganda

An official statement regarding Bolshevik propaganda was given by Rykov, as follows: "We have repeatedly declared that we guarantee the complete non-interference of the Government of the Soviet Union, its representatives and the collaborators in its undertakings, in the internal affairs of other states. But no means can be invented for securing any bourgeois state against the idealogical influence of

the proletarian struggle and of the building up of Socialism in the first state of the proletarian dictatorship."

From Radek and other sources I gathered a great deal of information concerning the real nature of Bolshevik propaganda. Though Radek is not responsible for this conclusion, my impression was that the so-called Bolshevik propaganda is, in itself, perfectly futile. I could see nothing in Russia that could be told about which would attract the rest of the world, nor was I able to detect, in the examples of Bolshevik propaganda which I had translated for me, any cleverness of technique.

What the Russians are doing is not so much writing and printing literature to be distributed throughout the world, as training a very large number of people in the philosophy and technique of revolution. The men at present in power directed their revolution primarily against the Tsar; in their plans they naturally became philosophical and thought of a world planned according to the world they would like to see established in Russia, instead of the Tsarist régime.

No doubt in the time of our own revolution there were those who would have liked to see republicanism established throughout the world, but as a matter of fact the chief objective of the revolution was to get rid of English rule in America. The revolution, therefore, for which the present Russian régime fought was primarily anti-Tsarist. The revolutionists had been saturated with the writings of Karl Marx, and consequently they sought to put into operation the theories of Marx. But their real objective was to get rid of the

whole Tsarist régime, and the so-called world revolution was more or less philosophical and theoretical.

But at the present time the story is different. A group of 2,000,000 young Communists are being trained, and 2,000,000 more "Pioneers." Those students are being taught the philosophy and technique of world revolution. These youngsters have not known the oppression of the Tsarist régime; they are thinking in terms of world "capitalism."

The Young Communist

Their mission in life is going to depend upon their experience with world capitalism, and what they really find in it. If they find that world capitalism in their judgment is in a conspiracy to starve them and destroy them, it is quite possible these young people will become flaming hosts throughout Asia, and thus become a menace to the whole Western world in the course of a few decades.

I asked Karl Radek what he thought the attitude of the United States should be toward Russia. His reply was frank and characteristic: "From my standpoint, I don't want Russia to seek any rapprochement with the United States and do not want Western capital in this country; our pace will be slower but we will arrive at a better goal. But looking at it philosophically and imagining the capitalist's standpoint, I may say: 'If you don't want to drive Russia toward Asia, you will be well advised to attract it toward the West.'"

A very large number of Bolsheviks envisage in Asia a consolidated China, out of which the foreigners have been driven, with all of the influence that such a situa-

tion may have upon India. And was it not Stalin who said that one of the fundamental points of the Russian foreign policy must be to bring about a rapprochement with Japan?

May it not be possible, therefore, that the greatest menace which faces mankind to-day is the possibility of a Bolshevist Russia, with a new generation of poorly fed men and women, holding grievances against Western society, and aligned with all the distressed hordes of Asia?

XVIII

TOMSKY AND THE TRADE UNIONS

THE trade union movement in Russia is under the control of Tomsky. I called on Tomsky one morning, by appointment made by the Commissar of Foreign Affairs. His office in the Trade Union Council Building was bare but commodious. Tomsky was assisted in our talk by Melnitchansky and Yarotzki. Melnitchansky is a Russian, was at one time an organizer in the American Federation of Labor, and is now "Chief of the Organizational Department of the U.S.S.R. C.C.T.U." He has been three times exiled to Siberia. Yarotzki was at one time Associated Press correspondent in Moscow.

At the beginning of the interview I asked Mr. Tomsky the difference between the labor movement in America and that in Russia. He replied: "American labor coöperates with capital; ours does not." "Yes," I said, "but I have just come from your Concessions Committee, where they tell me they are anxious to obtain American capital in Russia; if American capital is wanted here to develop your resources it is necessary to employ labor; if labor is bent upon destroying capital, how can you expect to have capital come here?" Tomsky's reply was: "That's a different mat-

ter; we are quite prepared to negotiate with anyone who wants to do business in Russia."

Tomsky suggests in appearance a cross between J. H. Thomas, head of the English Railway Unions, and William Green, President of the American Federation of Labor.

Like most of the world-famous revolutionists in Russia, he has very bad teeth, testimony to lack of toothbrushes in prison. When I called on him he wore a colored shirt, devoid of collar. He is a little hard of hearing, but his face is full of fire, and on the slightest provocation he launches forth into a veritable oration. I asked him: "Do you believe in violent or revolutionary methods to accomplish reform?" And he replied: "Revolution is but a quick way of securing evolution."

I asked Tomsky why it was that the Soviet Government was so much opposed to the American Federation of Labor and why the American Federation of Labor was so bitter toward the Soviet Government, which was an enthronement of the workman himself. Tomsky replied that he was quite aware of the attitude of the American Federation of Labor, but no Russian was opposed to the American labor men. "No representative American labor man comes here to discuss the situation with us. Why doesn't Green come here and see for himself? We would give him all the hearing he wants. Then let me come to America to see for myself. We have nothing here to hide, and I should like to see what you have to show in America. The fact is we have too much on our minds with our own troubles here to think of fighting labor elsewhere."

Tomsky is very proud of the fact that the labor union movement in Russia is really part of the Gov-

ernment. I asked him if he thought the laboring man in Russia was as well off as the laboring man in America. His reply was that although the American laboring man is paid higher wages the Russian working man takes so much satisfaction from the fact that he enjoys political power and many other privileges, social and otherwise, in connection with his work, that as a matter of fact he enjoys his job more than the American or English working man!

I could not imagine any American working man—seeing or hearing of working conditions there—being willing to trade places with what he would find in Soviet Russia. But it is very easy to see how the influence of the Soviet trade unions, with their insistence upon the class struggle, makes trouble for the Social Democratic labor movement the world over.

Industrial workers took over control of factories and other organizations early in the revolution, and formed "shop committees." Even the managers were directly under the orders and supervision of the organization of their workmen. But one of Trotsky's complaints against the present tendency was summed up in this way:

"The power of management is steadily growing. It has already exclusive right of dismissal for default or misdemeanors and no appeal is possible. Men are also engaged by the management and the function of the factory Soviets is limited to mere registration. The workmen no longer share in the control and management of their factories. Their opinion and criticism are disregarded more and more."

Tomsky claims a total number of trade union members in Russia of 9,500,000, of which about 1,000,000

are railway employees and about 1,000,000 are state, public and commercial employees. The next largest category is metal workers, of whom there are 825,000, textile workers, 90,000, and educational workers, 716,000.

The following figures summarize the statement of the labor union movement in Russia at the end of 1926, as given to me by Tomsky himself:

Number of organized workers:

In October, 1922	4,600,000
In October, 1923	5,600,000
In October, 1924	6,400,000
In October, 1925	7,500,000
In July, 1926	9,278,000

Number of employed covered by collective agreements:

At the beginning of 1925	4,822,000
At the beginning of 1926	6,221,000

In the industrial unions, at the beginning of 1926, collective agreements embraced 96.4 per cent of all employed.

The average monthly wage of workers (as stated by the C.C.T.U.) in large industries was: (the data below cover 1,351,000 workers in 1924-25 and 1,745,000 workers in 1925-26):

In October-December, 1924	40 rubles
In July-September, 1926	58 rubles

I was told that many factories, perhaps even most factories, are now operated on the piece work system in spite of the Marxian denunciation of piece work as a basis for wages. The alternative which Marx had recommended was tried in Russia and failed.

Cost of Living

The cost of living is very high in all of Russia, and one wonders how people make both ends meet. The maximum salary of any Communist for any public position is 225 rubles ($115.00) per month.

The maximum salary of any of the officers of the State industrial or business activities is seldom more than 500 rubles per month.

I was told that 83 per cent of the Managing Directors of business enterprises in Russia receive less than 400 rubles per month, and I was given, by the C.C.T.U., the following table, showing the present average salaries of the managers of the larger enterprises, containing a ratio, which the labor unions consider significant, between the manager's salary and the workers' wage:

Manager's salary in March, 1926:

Industry	*Average monthly salary in rubles*	*Ratio between the manager's salary and workers' wage*
Metallurgy	332.2	5.1
Mining	327.2	6.4
Textile	288.1	6.6
Chemical	331.4	5.7
Food	274.4	6.5
Leather	286.9	3.7
Paper	374.1	6.7
Printing	231.5	3.2
Average for all industries	309.9	5.7

The trade union people told me that minors employed in industry in Russia (from 14 to 18 years of age—those below 14 are not allowed to work) number only 131,300, or 5.5 per cent of the total employed. The work day of miners is limited by law and

fixed at from 4 to 6 hours. The working hours of adults are claimed never to exceed 8 hours, and to represent an average of about 7½ hours, and it is also said that there is very little overtime.

It is stated that there are 648,600 women in employment, or 27.2 per cent of the total number of employed workers.

Labor Policy Toward Concessions

Tomsky gave me this statement of the policy of trade unions toward private enterprise:

"The relations with private enterprise are determined by the class struggle and the conflict of class interests. Therefore, the trade unions resort to the strike as a normal method of economic struggle, take no part, direct or indirect, in the organization of production, and in their economic demands pursue the interests of the workers exclusively, leaving to the employer all the cares incident to the operation of the undertaking.

"In private concession and 'mixed' enterprises it is not allowed to organize production conferences or set up commissions, nor is it allowed to create funds (which are deducted from the profits) for the improvement of the living conditions of the workers, because even indirect sharing of the profits would conflict with the principles of the class struggle.

"There is also a different policy with regard to admission to trade union membership. While in Soviet enterprises members of the administration belong to a trade union, in private, concession and even 'mixed' enterprises only certain classes of employees are admit-

ted to trade union membership. Persons occupying certain administrative positions cannot belong to a trade union.

"The conditions of work in private, concession and 'mixed' enterprises are regulated by collective agreements.

"Factory committees are formed everywhere. In undertakings employing a small number of workers, there is a special trade union representative instead of a factory committee.

"The wage level in private undertakings is never lower, and in many cases is higher, than in State undertakings, because the trade unions do not want capital to accumulate in private hands and are endeavoring to reduce the accumulations of private owners to a minimum.

"All collective agreements in private industry are made by the Central Committees of the trade unions."

In a formal circular published January 31, 1927, to all trade unions in Russia, this language was used:

> In concession undertakings the policy of the trade unions should be somewhat different. Although the concessionaire is the enemy of the working class, and although the working class should do nothing to improve the output of the undertaking, it is important that the trade unions should not forget that the working class and the Soviet State are interested in attracting foreign capital (up to a point, and under State control) toward those branches of the national economy which, for the time being, cannot be developed or exploited with the resources of the State alone. It is also essential that in concession undertakings the best methods of work should be employed.

> In these circumstances, the trade unions should not confront the concessionaire with claims which might lead to the closing down of the enterprise, and should in no case oppose the introduction of improved technical methods, even if such improved methods involve the dismissal of a certain number of workers.
>
> Finally, the trade unions should conduct an energetic campaign against all attempts by managements, in private or concession undertakings, to diminish the authority of the trade unions, particularly by appealing directly to the higher trade union organizations over the heads of the work councils or the trade union delegates.

According to Tomsky, about 284,000 trade union members are employed in private and concession enterprises, comprising 2.9 per cent of the total trade union membership.

Strikes

Strikes are called by Soviet trade unions mainly in private and concession enterprises. Against State undertakings strikes occur very seldom, although they are not forbidden and are allowed in principle in really "necessary" cases. The stated reasons are quite simple:

"A Soviet undertaking by its very social nature precludes the class struggle, the conflict of class interests, and, consequently, the acute forms of the struggle, such as strikes; besides, there is no practical necessity for strikes in State undertakings. Any dispute which arises between a trade union and some economic body can be settled by peaceful means—the Conciliation Chamber or a Court of Arbitration. And in those cases where the economic body concerned does not

wish to accept arbitration, compulsory arbitration may be imposed at the request of the trade union. However, in certain cases strikes do occur in State undertakings chiefly as a protest against incorrect actions on the part of the administration. Such strikes often affect not the whole undertaking, but only individual sections."

The following table indicates the strike movement in the U.S.S.R. during the last few years:

	Number of strikes in enterprises			*Number of strikers in enterprises*		
	Total	*State*	*Private*	*Total*	*State*	*Private*
1924	267	151	116	49,600	42,800	6,800
1925	196	99	97	37,600	34,000	3,600
1926 (Jan.-June)	92	58	34	14,300	11,400	2,900

The number of strikes and strikers is stated to be decreasing every year. Compared with the total number of workers (in industry, agriculture and in transportation) it constitutes an insignificant percentage. For instance, the number of employed trade union members on October 1, 1925 (with the exception of the following unions: state, public, and commercial workers, art workers, educational workers, public health workers and postal-telegraph workers) was 5,031,500. The number of strikers in 1925 thus constitutes a little more than 0.5 per cent of the employed trade union members, and even less than that of the total number employed. In private undertakings the percentage is higher—about 6 per cent of the number of workers employed. The number of strikes in State industries is relatively insignificant if one remembers

that there are thousands of undertakings. It is small also in private industry.

The decline of the strike movement is explained mainly by "the growing influence of the trade unions, the development of the national economy, and the better regulation of the conditions of work."

The decrease in the number of strikes in private undertakings is explained by the fact that "all the strikes usually end in victory for the workers, and the employers are less inclined to let any dispute develop into a strike."

Relief to Foreign Unions

The Russians are very frank in all their statements of policy, and Tomsky gave me much information which was extremely significant. For instance, I was advised that as recently as April 18, 1927, a delegation of Norwegian trade union men had come to Moscow to report an extensive lock-out called in Norway by factory owners, when tens of thousands of workers were thrown out of employment and a reduction in wages of from 10 per cent to 25 per cent was ordered. As a result the Presidium of the Central Council of the Trade Unions of the U.S.S.R. voted 1,000,000 Norwegian kronen (about $250,000) in aid of the locked-out Norwegian workers, 200,000 kronen were given as a gift, and 800,000 kronen as a "long-term loan without interest, dates of payment to be determined by the Norwegian Federation of Trade Unions."

Tomsky gave me this explanation of the significance of assistance by Soviet trade unions to foreign workers: It is the policy to assist trade unions in all parts

of the world—"in the effort to promote class solidarity" whenever working men are "struggling against capital." The trade unions explain that it was only after the stabilization of money in Russia (the first step toward capitalism) that they were able to send much money abroad, but I was given a list of the contributions to foreign workers from January 1, 1924, to October 1, 1926, as follows:

Number	*Country*	*Rubles Amount*
1	China	175,949
2	Germany	68,288
3	France	31,470
4	Norway	27,435
5	Japan	21,489
6	Sweden	13,500
7	Poland	12,495
8	India	10,000
9	Italy	9,962
10	Belgium	7,925
11	Jugoslavia	6,670
12	Syria	5,950
13	Canada	5,842
14	Bulgaria	5,450
15	Greece	5,000
16	Austria	4,100
17	Holland	3,840
18	Switzerland	3,000
19	Finland	2,305
20	Esthonia	1,600
21	Lithuania	200
22	Rumania	156
		422,626
Through R.I.L.U.		11,891
Grand total of contributions		434,517

I was given a detailed list of the contributions to the British Miners' Relief Fund, covering all payments May, 1926, to March 1, 1927, showing the sources of all the money, geographically as well as from newspapers, organizations, etc. This statement showed that contributions from regional trade union organizations amounted to 12,000,000 rubles; from the Central Committee's National Organization, 3,000,000; from newspapers, individuals and institutions, 1,000,000 rubles—a total of 16,000,000 rubles, or about $8,000,000.

Labor Unions and Politics

The relationship of labor to politics in Russia is set forth in the following official statement:

"The Soviets are the organs of State through which the working class exercises its dictatorship. At the same time the Soviets are mass organizations which serve as a means of drawing the broad masses of workers into the Government of the country. The trade unions in the U.S.S.R. therefore devote a great deal of attention to Soviet elections, take an active part in the election campaign and endeavor to draw into the elections as large a number of workers and employees as possible. For this purpose the trade unions carry on considerable agitation, take part in the work of election committees in the organization of elections in undertakings and institutions, and in the selection of candidates.

"Attaching great importance to the maintenance of proletarian influence upon the peasantry, the trade unions take an active part in Soviet elections, not only

in the city but also in the village, working through the trade union members who are in the village, particularly the agricultural workers."

Incidental Union Activities

Among the interesting developments of the labor unions in Russia is that of the so-called "Red Corners."

A Red Corner is a small room in an industrial establishment (usually in every large department) or at the workers' communal dwellings, which serves for cultural-educational work, in addition to that carried on in the workers' clubs. "The object of the Red Corner is to bring the cultural work nearer to the laboring masses."

In the Red Corner there are newspapers, magazines and books. Talks are delivered on political and trade union questions, readings are arranged for those workers who are not sufficiently literate. In Red Corners which are located in factories the work is carried on mainly during lunch time, and in those which are outside, during non-working hours. Many Red Corners have political and trade union subdivisions.

Red Corners came into existence several years ago: at the end of 1924 there were 8,000 "corners"; in January, 1926, they numbered 21,700. To give me an idea of the extent of their work, these figures for December, 1925, were supplied: During that month the Red Corners reported 36,600 readings, 42,600 talks, lectures, reports, etc., 1,800 performances—totaling 81,000.

. . . . . .

The trade unions make it their special business to

stimulate interest in the theatre and the movies on the part of their members. The trade unions organize dramatic performances, concerts, etc., at trade union clubs, and they supply theatre tickets and cinema tickets at reduced rates.

During 1925, the Leningrad trade unions distributed among their members 2,434,362 reduced-rate tickets (50 per cent reduction), of which 815,374 were to theatres and 1,618,988 to cinemas, which represents 40 per cent of the seating capacity of all the amusement places of the city.

During the month of December, 1924, in the 3,417 trade union clubs throughout the U.S.S.R., there were 14,350 dramatic performances, 5,615 concerts and evening parties, 6,709 motion pictures and 1,709 "live newspapers" (news items acted); altogether 28,383 performances, attended by 7,508,000 people.

As a communiqué of the Central Council of the trade unions announced:

"Thanks to such trade union activities, workers and employees are enabled to satisfy their cultural needs; in particular, to go to the theatre, which the workers could not do before the revolution, owing to high prices of theatre tickets."

XIX

CONCESSIONS

ALL business in Russia which is not done either directly or indirectly by the Government is done through "concessionaires." And it is primarily to attract foreign capital into Russia that "concessions" are granted. The granting of concessions is in the hands of a Chief Concessions Committee, headed nominally until recently by Trotsky. The actual head was Joffe, but he committed suicide, and now the Chairman is Ksandroff, upon whom the burden of the work had largely fallen for some time. I had a long talk with Ksandroff, and found him with a clear comprehension of his difficulties, at least, so far as dealing with foreign capital is concerned.

I made earnest effort not only in Russia to find out the concessions policy of the Soviet Government, but also before going to Russia, in England, in France, and in Germany, to find out the general experience of investors in placing capital in Russia.

The experience of the Soviet Government in encouraging the investment of foreign capital in Russia has not been a success, and members of the Concessions Committee in Moscow were quite frank in saying that during the past six months the number of applications for concessions has diminished decidedly. Soon after

the Bolshevik revolution, a number of highly speculative concessions were granted. Some of these have turned out well; most of them have been failures. The Russians maintain that in the case of those concessions which have resulted in failure, the collapse has been due primarily to two causes: first, insufficient capital; second, lack of expert knowledge on the part of the concessionaires of the task they had undertaken.

I had an illuminating conversation with a member of the Concessions Committee and asked him two leading questions. I requested that his answers to these two questions be written out and given to me in English. Herewith are the questions and the answers exactly as given to me by the Bolshevik Government:

"Question: Many important American business men would like to make investments in Russia if they felt that, when invested, their capital would be safe from prohibitive taxation, confiscation, and unexpected demands on the part of the Government and labor unions. There is a saying in America: 'A burnt child dreads the fire.' Once people having had their property seized they need good reasons to convince themselves that this won't occur again.

"What guaranties can you give that the Soviet Government won't again confiscate all private property as it did just after the revolution? What is there to prevent the Soviet Government from turning round and acting again in the same way?

"Answer: The fundamental question which you have just put to me we have heard hundreds of times. We understand why this question is addressed specially to the U.S.S.R. It is because the first act of the Soviet

Government when it assumed power was the confiscation of private property, in order to safeguard the revolution from attacks from within.

Concession a Special Privilege

"In business practice a contract between two business firms is guaranteed usually by a bank or a third party. But when a contract is concluded between a Government and a private concern no guaranties are required from the contracting Government. The safest guaranty in our case is the concession agreement itself which, from the legal standpoint and in actuality, is an act of legislation on the part of our Government and not a simple legal instrument. A concession granted to a foreign concern is a special privilege, an exception from our established law. It is a specially enacted law and is therefore a part of our legal system. In all concession agreements there is provision for a special court of arbitration which is to pass on all questions at issue between the Soviet Government and the concessionaire. Thus the interpretation of the law is not made by our own legal institutions, but by a third and neutral body. Our undertaking of these obligations is our best guaranty.

"The fact that at the foundation of our national economy lies the principle of denial of private property in no way signifies that we cannot, on certain conditions, invite foreign capital to work alongside of our socialized industry. We have restored our economic life and at present it is fairly prosperous, but we want to accelerate its pace and increase its weight in world markets. We are willing to offer advantageous fields

of activity to foreign capital because it will work to our mutual benefit.

"Do you consider that we are so stupid as to cut away the branch on which we are sitting? We, more than anybody else, know that such an act will injure us more than by not allowing foreign capital to work with us at all.

"We have given proof time and again that we mean to keep our agreements, engagements and undertakings. No obligation undertaken by the Soviet Government has ever been renounced or not been carried out in full. Foreign capital working with Government institutions or business organizations has never refused to meet its obligations. In concession agreements, the Soviet Government guarantees that no property of the concessionaire can be confiscated or requisitioned; compulsory recovery of debts is also precluded, except by court decision in case of prosecution by a third party. All questions at issue are submitted to a court of arbitration. The fact that so far not a single concessionaire has ever taken recourse to arbitration courts shows how attentively the Soviet Government takes consideration of the interests of the concessionaire.

"Psychologically, I understand your anxiety and your question. Foreigners ask themselves: How can the Bolsheviks, being enemies of private property in general, invite foreign capital to work in Russia? But the fact is that private property may sooner be confiscated or nationalized in a country where the proletarian revolution has not occurred, than in U.S.S.R. where the revolution is already consummated.

"We admit foreign capital because we are now strong enough and can regulate its rôle in our Socialist economy. We can not and do not surrender to it any of the commanding heights in industry, but allot to it a place in our industry where it will be useful and advantageous both to us and to the concessionaire, without endangering the Socialist principles of our economic system.

"In certain branches of industry, according to the plan, we admit foreign capital to the extent of 10 per cent, 20 per cent and even 40 per cent and in exceptional cases more. For instance, let us say we have a branch of industry with 100 million rubles already invested, and in order to enlarge it we need an additional investment of 100 million rubles. We would be willing to admit 50 per cent of this new capital to be invested by foreigners.

"Question: When a concession is granted to any one involving exploitation of property one must employ workers, pay wages. Does the Government control the demands of the workers or must the concessionaire take his chances in negotiating with the labor unions direct?

Labor Problem of Concessionaire

"Answer: We do not as a Government undertake any obligation on that matter. The concessionaire must take it upon himself in concluding agreements with the unions. The labor unions are not departments of the State, they are altogether autonomous and independent and it is self-evident that the Government and its organs in the U.S.S.R. can control the labor

unions as little as any other State. The interrelation of workers and concessionaire is regulated amicably and voluntarily by signed 'collective agreements,' which in most cases are mentioned in concessional contracts.

"The labor organizations, particularly their leaders, are in general not only informed of the concessional policy of the Soviet Government but fully support it. It is therefore impossible to think that the leaders of the labor movement in the U.S.S.R. would consciously seek with their policy to upset or harm the concessional policy of the Soviet Government. Locally there may occur difficulties between the concessionaire and workers, but the central labor organizations always seek as far as possible to conciliate these difficulties, and in practice such misunderstandings are always settled."

Concessions Come Hard and Slowly

The concessions policy of the Soviet Government has developed very slowly. Until quite recently there was little information available concerning the actual operation and success of the few concessions that have been granted, after careful consideration, by the Soviet Government during the past five years. The latest list published shows 1,509 applications received from 1922 to 1925 inclusive, of which most were from Germany, with England, the United States, and Italy following. Of these only 226 had been granted and were operating on January 1, 1926; "regular" concessions, those occupied in developing Russian resources, numbered 86; mixed companies, with part of the stock held by the Soviet Government or one of its organizations, and

at least part of them engaged in trading only, 31; while the balance consisted of foreign firms, registered in Soviet Russia and doing business there, and of mixed companies authorized but not yet functioning. Of this meager total German capital was invested in 29, English in 21, American in 13, with other nations represented in only 3 to 5 each. Of all concessions actually granted, over half were finally rejected or withdrawn.

Red Tape to Be Cut

There seems to be general agreement that the first difficulty to be overcome in securing a Soviet concession is that of time. I was told that the Krupp agricultural concession which was originally to grow wheat, later found that the ground was salty and wheat could not be grown there, and toiled six months to get the concession changed so as to permit raising sheep instead of growing wheat. The eager seeker for a concession must wait months and fill out endless questionnaires before his application reaches the final authorities. There is only one way to avoid this labyrinth of offices, whose signature or approval is necessary, and that is through "acquaintance": if one knows the right man, months can be saved. Yet even with all intermediate steps taken and functionaries satisfied, there is always the chance that the Government heads may refuse an application; as witness the case of Leslie Urquhart, who, after months of work, obtained a signed and sealed concession contract, only to have it torn up by Lenin himself.

The Russians maintain that they have many favorable exhibits to present to prospective concessionaires. For instance, Mr. Joffe said:

"We maintain that on the whole the work of concessional enterprises in the Soviet Union has been until now exceedingly profitable. Let us quote a few examples:

"The concessional enterprise 'S. K. F.' (ball-bearing), with an investment of only 765,800 rubles, according to statement of the concessionaire himself, has after paying all taxes, royalties, assessments for social needs, etc., received in three years a net profit of 1,074,000 rubles.

"The concessional enterprise 'Raabe' with an investment of 329,000 rubles received for 1925 a net profit of 137,000 rubles.

"The firm 'Berger und Wirt' with an invested capital of 585,800 rubles received in 1925 a net profit of 162,000 rubles, and for the three years, regardless of a fire which had taken place in this factory, it received 238,500 rubles of net profits."

Three outstanding concessions have been granted by the Soviet Government since the revolution. These may be said to typify the experience in one form or other of practically all of the concessions which have been granted. One of these is the Mologoles concession, granted to a German syndicate of which Dr. Wirth, formerly German Chancellor, was the head; the Harriman concession, granted to W. A. Harriman and his associates, for the exploitation of manganese mines in the Caucasus; third, the Lena Goldfields concession, granted to a British company for the develop-

ment of a gold mining area along the Lena River in Siberia.

The Mologoles Concession

The Mologoles concession has been a complete failure and is now to be liquidated, the property taken over by the Russian Government and a payment made to the German shareholders for the property which has been taken over. The Russian explanation of the Mologoles failure as supplied to me by the Russian Government was as follows:

"The greater part of the Mologoles difficulties was due to lack of capital. The Mologoles concession was the first large German concession in the territory of the U.S.S.R. The basic capital invested during the first period consisted of only 300,000 marks, for an enterprise embracing 1,000 square miles of lumber territory and including a railway project of 200 kilometres. Later they invested something like 3,000,000 marks. All this time they were working on borrowed foreign capital for which, according to the concessionaire himself, he was paying 17 per cent annual interest. Even with this, however, he could not collect the necessary funds to carry on his work. As a result, the Soviet Government granted the concessionaire something like 8,000,000 rubles on short term credit to be repaid in dates fixed by himself at 8 per cent per annum. This grant was made in the hope that he would be able to raise the necessary means abroad.

"The clear profits of his enterprise working within the U.S.S.R. according to his own official accounts, was 800,000 rubles for 1926. All this profit was swallowed

up by the expenditures of the board of directors in Berlin and in meeting their obligations to creditors abroad.

"The whole sum invested by Mologoles in the U.S.S.R. is 5,200,000 rubles. A profit of 800,000 rubles on such a sum we consider quite sufficient. Unfortunately, the hopes of the concessionaire to raise the necessary capital and meet his obligations have not materialized.

"In accordance with the agreement, if the concession was liquidated, the concessionaire was entitled to receive a sum of 500,000 to 600,000 rubles from us. Notwithstanding this, the Soviet Government proposed to take over all his property at the average market prices on fixed conditions, guaranteeing a much larger sum of money. That our offer was acceptable to the concessionaire was proved by the fact that at the meeting of the creditors and shareholders the conditions of liquidation proposed by us were adopted.

"We are so convinced of the business and moral propriety of our dealings in this matter that at the very outset we proposed to submit the question to any court of arbitration if the concessionaire was not satisfied with our offers."

The Harriman Concession

The Russians consider that the best illustration of their real concessions policy is to be found in the Harriman case. Mr. W. A. Harriman made a contract with the Russian Government involving the development of manganese ore properties in the Caucasus.

Under his contract he was to pay to the Government a certain royalty on each ton exported, he was to build a railroad, and of course he had to employ labor to work on his properties. The concession has been found unworkable, however, for the following reasons:

First, it is understood that Mr. Harriman contemplated that he would have a monopoly of Russian manganese export; whereas, as a matter of fact, there was a group of State mines in the Nikopol region in Russia which also exported manganese, and after the Harriman concession was granted the development of the Nikopol region was increased.

Second, through the development of manganese properties in other parts of the world, the price of manganese declined seriously, and it was an economic impossibility to pay the royalty to the Russian Government contemplated in the Harriman contract.

Third, the cost of building the contemplated railroad was far in excess of the amount estimated at the beginning.

Fourth, the labor unions are said to have made exactions upon Mr. Harriman which were quite beyond the capacity of the concession to stand. In a Moscow newspaper, printed certainly with the consent if not the approval of the Government, a despatch from Tiflis stated that the collective agreement under which the Harriman concession had been operating had expired and that a new one was under negotiation. The labor unions demanded an increase of a minimum of 14½ per cent in wages; new houses for 1,000 workmen, in addition to those which the concessionaire

had already agreed to erect; free outer clothing and boots to underground workers; the hiring of clerks only through the unions, etc.

The Harriman concession has now been renewed upon terms far more favorable to Mr. Harriman and far more reasonable from the Government's standpoint. The Russian Government officials instance the Harriman case as an example of their reasonableness and disposition to meet the concessionaire halfway in taking care of unexpected conditions. Just how much of the attitude of the Government is due to its quite frank recognition of the fact that upon the success of the Harriman concession will depend any possibility whatever of enlisting the interest of American capital in Russia, cannot be estimated.

One of the members of the Concessions Committee outlined the attitude of the Committee toward the Harriman concession in the following language:

"We are interested more in the organization of enterprises conducted by the newest and best methods and having the most modern and up-to-date machinery, in order to serve as an example to our own enterprises. The Harriman negotiations will prove to you that we cannot be suspected of seeking large and immediate profits.

"When we signed the original agreement with Harriman, its conditions must have been acceptable both for him and for us, otherwise we should not have signed it. Neither he nor we could have foreseen the future trend of the manganese world market. You are familiar with the changes that have taken place in manganese production, opening up of new fields in

South America and West Africa, changes in the metallurgical processes, etc.

"We knew that his export difficulties made it hard for him to invest fresh capital, in which we were interested far more than in getting larger royalties. We realized that this fresh capital would have put the mining process on a higher technical basis and, in addition, would have improved the loading facilities at Poti.

"However, we did not hold to the letter of the agreement. We decided to meet him halfway and help him organize a model enterprise. We are ready to alter some of the provisions of the contract. In so far as it depends on us to do it, we are willing to help him solve his troubles.

"Of course we are naturally interested in finding a place in the sun for our own manganese which is produced at the Nikopol mines. We want to find a niche for it in the world market, but we are willing to curtail our export in order to make it possible for Mr. Harriman to fight his competitors. In regard to royalties, we have also decided to adopt a more flexible formula.

"We have no hidden purpose in our dealings with concessionaires and foreign capital. We know that if one big concession becomes a failure it will mean a serious blow to our concessions policy. That is why we are interested, no less than the concessionaires themselves, in making concessions successful."

The Lena Goldfields

The Lena Goldfields concession was described by officers of the Lena Goldfields, Ltd., as entirely satis-

factory from their standpoint. As the managing director of the company described his policy to me, it was as follows:

"We first of all took particular pains to see to it that we knew what we were talking about; we signed nothing that we did not know all about. We have been absolutely on the level in dealing with the Russian Government, and we have gone upon the assumption that they would be on the level in dealing with us. Up to now we have had no reason to regret that assumption."

The Concessions Committee makes certain other points concerning the policy of the Soviet Government. One of their points, to paraphrase their own language, is the following:

"We know that foreign capital does not enter the U.S.S.R. just to please the Soviet Government. We know that the contract must be profitable in the long run. But we also know that few business enterprises yield profits from the day they begin operations, and that those who expect to realize profits immediately are sure to be disappointed. Organization difficulties during the first periods must be foreseen. For this very reason the Soviet Government leases its concessions for long terms. Thus 'Mologoles' is leased for 25 years; 'Lena Goldfields' for 30 years; Harriman for 20 years; Krupp Agricultural concession for 36 years; S.K.F. ball-bearing for 40 years; Sakhalin Japanese Coal and Oil concession for 35 years.

"Second, all our concessions contemplate that by the expiration of the term of the concession all the capital invested therein will have been fully repaid to

the concessionaire. Also that during the term of the concession itself it should prove to be profitable.

"Third, nobody forces a concessionaire to sign a contract. The applicants should know better than the Soviet Government itself the business side of the matter, for the concession proposals are usually suggested by them.

"Fourth, Soviet concession profits necessarily depend on world conditions. Immediately after the war there was a period of speculative effort all round, but the capitalist states have, to a larger or smaller degree, radically cured themselves of the post-war speculative delirium; world capitalism on the whole has stabilized itself, and a 'Dawes-ized' Europe has, by some means or other, reconstructed its economy. At the same time the attitude of foreign capital toward Russia is changing. Very important concession proposals in increasingly large numbers, particularly from the United States, are coming to the Concessions Committee.

"Fifth, the Russian Government does not want small enterprises, those operated purely by speculators, or those which will require Russian capital. We need all our own capital, and the only object in offering concessions is to attract foreign capital.

"Sixth, the Soviet Government recognizes the necessity henceforth of vitalizing its concessions policy by not merely awaiting applications for concessions but initiating concession plans to operate which foreign capital may be invited."

There can be no doubt that Russia seeks foreign capital most earnestly, and that the fundamental policy of the really intelligent men in the Russian

Government to-day is to attract foreign capital. To be sure, one very influential Bolshevik said to me, "We do not want your capital. Without it we will move more slowly, but toward a better goal." But that is not the view of Stalin and the Soviet Government.

It is a very real question and one the Russians will be required to face: Can the Russian Government obtain the capital required simply on the basis of its own promises and good will or will it be necessary, as has been done by Austria-Hungary and Germany, to pledge certain revenues or certain definite sources of wealth as security for loans or advances of capital?

Certain it is that the supreme dilemma of the Russian régime is this:

"If we seek foreign capital on terms satisfactory to foreign capital, we sacrifice a certain amount of our socialistic doctrines and repudiate, by inference at least, some of the fundamental principles of the revolution; if we do not obtain foreign capital, Russia can exist and advance, to be sure, but so slowly as to constitute virtual stagnation."

XX

FOREIGN RELATIONS

THE Soviet Government has been recognized in one form or another by twenty-two nations. Recognition has been withdrawn by England only. The relations which have been established, however, are of varying degrees of comprehensiveness, and only with Germany is there a treaty which covers every phase of diplomatic relations. The Soviet Government long refused to have any official relations with the League of Nations on the ground that the League of Nations was primarily a body to carry out the Treaty of Versailles and impose the will of imperialist victors on the world. What effect the entrance of Germany into the League of Nations will have on this point of view remains to be seen. The Soviet Government sent a delegation to the Economic Conference called by the League in May, and participated in the preliminary Disarmament Conference.

The foreign relations of the country are in the hands of George Tchitcherin, a highly cultivated product of European rather than Russian culture. Tchitcherin can make a speech in four languages, Russian, French, English and German, and in each of them with equal skill. He had been sick on leave from Moscow for six months at the time I visited Russia and, in his

absence, the foreign relations were in charge of Mr. Litvinoff, Vice Commissar of Foreign Affairs, with whom I had several talks. Mr. Litvinoff is a trained diplomat, thoroughly versed in ways of European diplomacy. He married an English wife and speaks English fluently. In one of our early talks I asked him this question:

"In foreign countries, in most European nations, it is customary to call the head of a ministry 'Excellency.' With your title of Commissar, I do not know exactly how to address a minister of the Russian Government. Should I call him 'Mr. Minister,' 'Excellency,' 'Mr. Commissar,' or simply 'Mr. Litvinoff'?"

To which he replied:

"Personally, I much prefer to be called simply 'Mr. Litvinoff,' although, in official conversation, the diplomats of other countries still use the old forms."

The Russian Foreign Office, "Narkomindel," occupies a ramshackle old building in the heart of the business section of Moscow. It is organized very much as is the Foreign Office of any other government, with the relationship between Russia and the various States of the world parceled out among different "experts."

Russia and Germany

It is the general opinion throughout Europe that the diplomat in Russia who is closest to Mr. Tchitcherin is the German Ambassador, Count Brockdorff Rantzau. He, it will be remembered, was the German diplomat sent to Versailles to receive and negotiate the Treaty prepared by the Allies and who, when he saw it, resigned rather than sign it. He is a diplomat of the

old school, looks like a Frenchman rather than a German, and speaks French fluently, though hardly a word of English. His embassy in Moscow is manned by a competent corps of assistants, who thoroughly understand the technique of all diplomatic relationships.

In Moscow, one finds a certain friendliness toward Germany, based largely on the thought that Germany was the under dog in what Russians call the "Imperialist victory," but the sentiment of the Soviet Government is still one of great bitterness over the fact that the Brest-Litovsk treaty was imposed by Germany at the point of the sword. In the event that Germany should become financially strong and prosperous again there would be no more sympathy for the "under dog."

Russian relations in Berlin are handled from a very elaborate Russian Embassy on the Unter den Linden, and the chief point of contact is Dr. Herbert von Dirksen, one of the most accomplished students of foreign affairs of the Wilhelmstrasse, who is also in charge of the German Government relationships with Asia. The attitude of Germany toward Russia was stated in the Reichstag by Foreign Minister Stresemann in June, 1927, in these words:

> "Germany now, as before, preserves friendly relations with Soviet Russia and has not permitted herself to be drawn into an anti-Soviet alliance.
>
> "Germany considered it compatible with a position of friendliness to warn the Soviet Government of the danger of its diplomatic position after the assassination of Wojkoff, the Soviet Minister at Warsaw, and had obtained assurances from Moscow that the Soviet Government would take no drastic steps against Poland."

In general, the attitude of Germany toward Russia was summarized for me authoritatively as follows:

> The Germans have found the Russians exceedingly difficult to negotiate with, but, once a political or economic agreement is arranged, the Germans have found the Russians scrupulous in keeping up their part of the bargain.
>
> The Germans have no anxiety about Russian propaganda. They state that, although in the days immediately after the war, when there was tense atmosphere everywhere, the Bolshevik propaganda made some headway in Germany, at the present time the Communist Party is growing weaker, although it has sixty members in the Reichstag. The worst enemy of the Bolshevist Party in Germany is the Social Democratic Party, which is a somewhat more moderate element than even the Labor Party in England. The only restrictions on Russian propaganda in Germany are where it encourages violence. The *Rote Fahne*—the *Red Flag*—the daily newspaper of the Communist Party, is allowed to circulate freely. But Germany has found that as the country itself becomes more stable and prosperity increases, so Bolshevism withers and weakens.
>
> The Germans believe the best way to kill Bolshevism is to trade with the Russians and to coöperate with those elements of the population desirous of trading and developing prosperity. I inquired if there was any sympathy in Germany with the view held by some in America that trading with Russia and making her more prosperous would be merely placing a greater amount of money in her hands with which to pursue propaganda in other countries. The German answer is that the Russian Communist Party would always

be able to obtain such money as it wanted for propaganda and that failure to trade with them would not prevent them from getting that money: if, on the other hand, the West refuses to trade with Russia, it means that larger money will be devoted to incendiary propaganda by Russia.

The Germans regard the effort to isolate Russia as a step in the direction of throwing Russia toward Asia, and believe that the way to destroy Bolshevism is to draw Russia toward the West rather than push her toward the East. The Germans do not believe that Bolshevism can flourish in well-organized communities, where the people are prosperous; and that its only chance is in distressed countries.

The Germans are very anxious to have American capitalists interest themselves in Russia, but to do business with Germany, with German capital as a partner in the undertaking. The feeling is that the Germans understand the Russian situation better than anyone else, and that their knowledge and experience and technique should be availed of by American capital.

Relations with France

It will be remembered that before the war France was an ally of Russia. Russian culture was in a large measure French culture. France made huge loans to Russia. There is at the present time a French ambassador in Moscow in the person of M. Herbette, formerly foreign editor of *Le Temps,* the great Paris political newspaper. The Russian Ambassador in Paris until October, 1927, was Christian Rakovsky, until recently one of the leading members of the Russian Communist Party, and of the Communist Inter-

national. Mr. Rakovsky is a highly cultivated student of world affairs.

Mr. Rakovsky was the object of a savage outbreak of the French press in the summer of 1927, due to a manifesto he had signed as a member of the Communist Party. His position became unbearable, and the French Government requested his recall. He has since been ejected from the Communist Party.

Prior to that time, Mr. Rakovsky had been in charge for the Russians of negotiations looking toward a settlement of French and Russian financial and economic relations. Russia owes the French people twelve billion gold francs, advanced before the war. The obligations covering this sum are said to be held by one million five hundred thousand French rentiers. The Russians have refused to acknowledge their debt to France, but they have expressed a willingness to pay, provided a loan is obtained.

Before he left Paris, Mr. Rakovsky had been trying to negotiate an agreement between France and Russia on a plan of settlement along the following lines: Russia to agree to pay France an average of sixty million gold rubles annually for sixty-two years; France, on her side, to undertake to advance to Russia four hundred and fifty million gold rubles over the next five years, with the understanding that two-thirds of the sum should be expended upon productive machinery and other articles in France, one-third at the option of the Russian Government.

The plan mentioned would be tantamount to giving Russia a complete moratorium for about eight years. Russians pointed out to me the fact that when Italy

made her debt settlement with the United States, our Government encouraged the making of a loan to Italy, which in effect gave Italy a moratorium for ten years.

As a sidelight on the situation, French life insurance companies have had a controversy with Russian policyholders similar to that of the American life insurance companies. These insurance companies wrote policies on Russian lives prior to the war and, under Tsarist law, invested the main portion of the reserves on those policies in property in Russia. When the Bolshevik Revolution came, it resulted in the seizure of all private property; the insurance property was seized along with the rest, yet the Russian policyholders, presumably with the approval of their Government, made demands upon the insurance companies for the payment of the policies.

American courts have, by implication, indicated that the insurance policy was a contract between the Russian citizen and the American company, and that the investment by the insurance company in Russia was a separate matter not covered by the contract proper. The French courts, I understand, have just ruled in accordance with a similar line of reasoning that the policies are valid but also that the policies were written in rubles of the Tsarist régime—which now have been deflated out of any real value, and that the policies should now be paid in Tsarist rubles!

M. Herbette told me that when he presented his credentials to Kalinin, the President of Russia, Mr. Kalinin, speaking of loans which France had made to Russia, said:

"I am a peasant myself and can understand how

your peasants feel about not getting their money from Russia."

When the Frenchman's credentials were presented to Mr. Rykov, discussing also the same subject, Mr. Rykov said:

"Our principles do not allow us to recognize Tsarist debts."

The ambassador asked him:

"How can you expect us to loan you money when you act that way? If you recognize your debts you can borrow so much more cheaply."

To which Rykov replied:

"We will have to make an agreement based upon mutuality of interest rather than recognition."

Of course there is in France a very militant line of thought which is violently opposed to having any relations with Russia whatever. In general, however, a certain phase of the French diplomatic view toward the Russian situation may be summed up in the following statement:

"If the West makes the Russian Government feel that agreement with them is impossible, we simply force the Bolsheviks to more revolutionary efforts. The way to deal with Russia is to make her know the West and know the merits of Western ways of doing things. Russia recently sent one of its most competent men to the Russian Embassy in Paris to see how things were done, but he went home saying that 'Western nations alone know how to do things,' and he was deprived of his commission and sent to some obscure post.

"The French are not afraid of Bolshevik propaganda, because they do not think it is effective. They refuse

to have anything whatever to do with the Communist International, and repress its activities in every manner. But France does seek to recover what Russia owes her, and France is concerned to see an orderly Europe once more in existence."

Relations with England

Lloyd George made a trade agreement with Russia in 1921. That was enlarged to general recognition by Ramsay Macdonald in 1924. But the English Mission in Moscow had never been in charge of an ambassador nor had the Russians sent an ambassador to London. Both countries were represented in their respective capitals by chargés d'affaires; in the case of the Russians by Mr. Rosengolz, who was sent home recently by the English on the occasion of the break, and the English in Moscow by Sir Robert Hodgson, who had incidentally been on sick leave for many months past and whose place as chargé d'affaires ad interim was taken by Mr. Peters, with whom I had the pleasure of a long and intimate talk. Mr. Peters also was surrounded by a corps of competent assistants, one of them representing special interests of Canada.

The relationship between England and Russia has never been satisfactory. In fact, in Russia they say that even as far back as Disraeli's time that great Prime Minister pointed out the absolute impossibility of satisfactory relationship between England and Russia in view of their various frontiers in Asia. It must be borne in mind, the Russians say, that Russia is primarily an Asiatic power and that Russia looks upon England as primarily an Asiatic power. The Com-

munist International has quite frankly been making war against England ever since the end of the Great War, although the actual methods of conducting the hostilities have been entirely different from those employed in any previous war.

The prevalent opinion among the calmer people in England concerning the breach between Russia and England was summarized in these sentences from the *Manchester Guardian,* Friday, May 27, 1927:

"Whatever reason there may be for the expulsion of the Russians there can be none for rejoicing. This is not a victory; at best it is a regrettable necessity."

England's relations with Russia simply had to be broken off, and get a fresh start. For start there will have to be. The bitterness was too great not to produce a break. Now that the break has come, both sides can view the situation more calmly, and review the mistakes which have been made.

XXI

RUSSIA AND THE UNITED STATES

THE American Government, of course, does not recognize Russia, although Americans have been since 1923 permitted to trade with Russia at their own risk. Our trade with Russia now represents a turnover of more than $100,000,000 a year. According to the trade statistics for the first three months of 1927, whereas England bought from Russia three times as much as Russia bought from England, Russia bought from the United States nine times as much as we bought from Russia.

There are very few American citizens in Russia. There are one or two there as technical advisers to the Russian Government in the development of power plants and other industrial undertakings. The Russian-American Chamber of Commerce of New York has a representative there in the person of Charles H. Smith, who assists in obtaining visaes for American citizens desiring to visit Russia and who gives such information as he can to members of the Russian Government desiring to do business with the United States. Mr. Smith necessarily eschews all connection with politics and his activities generally are consequently circumscribed and delicate. He performs them

with remarkable tact, and has so far been able to be of great usefulness in the situation.

Russia's business with the United States is largely conducted through what is known as the Amtorg Corporation, which is an abbreviation for American Trade Trust. This organization is an American corporation, but the Russian Government is its only stockholder. Just how the certificates of stock are made out I do not know. The Amtorg Corporation has a large office in New York, maintains important relations with American banks, and has a subsidiary office in Moscow, the home of its principal stockholder.

The Russian Point of View

While in Russia I made a serious attempt to gain the point of view of the Russians themselves concerning their own policies. Every important official I met in Russia wanted to know the attitude toward them of the American people, and I invariably replied that the people of the United States regarded the Soviet Government as both dishonest and unfriendly.

I repeatedly went over the same ground in telling that the American people are perfectly friendly toward the Russian people, as was evidenced, for example, by their assistance, freely extended, during the Russian famine of 1920, and afterward, but that the public opinion of the nation was almost unanimous in its support of the demand of the American Government that the Russian Government should do these things:

1. Repeal its decree repudiating its indebtedness to the United States.

2. Make compensation for American private property which has been confiscated.

3. Stop all propaganda against our Government and its institutions.

The statement of these facts quite frankly and even brutally did not seem to dismay the officials of the Russian Government or any of the officials with whom I talked. The Bolshevik point of view with reference to these three propositions seems to be somewhat as follows:

1. Repudiation of the Tsar's loans was the fundamental principle of the Bolshevik Revolution.

The revolutionists had been well organized for fully twenty years prior to 1917, and during that time had at all their meetings passed resolutions and made public proclamations that foreign governments loaning moneys to the Tsarist Government did so at their peril. Lenin, Trotsky and all the others had frequently warned French finance that when the revolutionists should come into power they would repudiate such loans. In spite of all that, they claim that France loaned to the Tsarist Government 12,000,000,000 gold francs, of which 55 per cent was used for military purposes—primarily to oppress the people and to suppress the revolutionary movement. When the revolution took place, the repudiation of these debts was a matter of course, and now to repudiate the repudiation would involve a denial of one of the chief principles of the revolution, a proposition which leaders say the Communist Party could not entertain in principle for one moment.

Stalin told the October (1927) Plenary Meeting of

the Central Committee that redemption of the war debts is a proposition "to which we shall never agree." But early in the year 1919, Lenin on one occasion said this: "The peasants ask freedom to sell their grain. This freedom means also the freedom to speculate. Do they not understand that it is impossible for us to allow that? We shall never agree. We will rather die than yield on this essential point." But two years later Lenin did yield on this point and proclaimed a New Economic Policy which gave the peasants freedom to sell their grain.

Loans to the Tsarist Régime

The Communists argue that the Romanoff family had since Peter the Great attempted to foist upon the Russian people a despotic régime, that it did nothing for the people but oppress them and forge ever stronger chains for their bondage. The loans were not, therefore, extended to the Russian people or for the benefit of the Russian people, but extended to the Tsarist régime for purposes foreign to and contrary to the welfare of the Russian people.

Russians argued that when the carpetbagger governments were sent by the Federal Government into the Southern States of America after our own Civil War, loans were floated in England in the name of the Southern States; that later, when these states came into their own, they repudiated these loans and the loans remain repudiated to-day. They say that to-day when the Committee of English Bondholders issues its annual statement of government loans in default, that list contains together with the defaulting Russian

Government the names of defaulting American Southern States—Georgia, North Carolina, South Carolina, Mississippi, Tennessee and Louisiana.

Russians also claim that they cannot quite understand the attitude of American sentiment on this subject, in view of the fact that the decree repudiating Russian debts was published by Lenin on February 8, 1918, and that even as late as the 11th of March, President Wilson sent to the All-Russian Congress of Soviets, at Moscow, a cable in which he said:

"The whole heart of the people of the United States is with the people of Russia in the attempt to free themselves forever from autocratic government and become the masters of their own life." [1]

The Communists point out that Samuel Gompers, President of the American Federation of Labor, on March 14, 1918, addressed to this All-Russian Congress of Soviets, a cable in which he said:

"We speak for a great organized movement of working people who are devoted to the cause of freedom and the ideals of democracy. We assure you that the whole American Nation ardently desires to be helpful to Russia and awaits with eagerness an indication from Russia as to how help may most effectively be extended." [1]

The Russian Government mind expresses its difficulty in understanding why the act of debt repudiation, which in itself did not seem sufficiently heinous to the American people or Government to prevent such messages being sent to her by the President of the United States and by the head of the American labor move-

[1] For full text of messages, see Appendix, pages 205 and 206.

ment six weeks after the debt repudiation took place, should now be considered as an insuperable barrier even to the negotiations for the consideration of what steps might be taken to pay that debt even though the Russian Government professes its inability to "recognize it."

No Settlement Without Negotiations

The Communists say that to make a settlement of the debt to America as contrasted with that to others of the Allies would be comparatively simple in view of the fact that the only State loan granted by America to Russia was a loan to Kerensky himself—the head of a revolutionary Government; "but," emphasize the Russians, "it is impossible to make such a settlement without negotiations, for the reason that Russia has some counterclaims of her own against the United States." They maintain that in sending 15,000 armed troops to Archangel, America put the Russian Government to a very heavy expense, and that some of these expenses at least should be extracted from the amount America claims to be due her from the Soviet Government. As to what the proper amount of these counterclaims should be, the Russians state they are willing to submit the whole matter to the arbitration of an international claims commission.

The Russians refer to the "Alabama" case, in which the United States was awarded compensation from England because the British allowed the confederate warship, "Alabama," to be fitted out in British shipyards, which was held to be a warlike act on Great Britain's part without a declaration of war. The

Bolsheviks contend that the American Expeditionary Force in Siberia comes under the same category.

The Communists say they cannot understand America's unwillingness to negotiate on this point, nor are they able to understand why the United States is so unreceptive to the Russian suggestion that a settlement of the debt to America should be accompanied or followed by a loan to the Russian Government. They point to the fact that immediately after Italy signed the debt settlement the American people extended other loans to Italy, which are tantamount to giving the Italian Government a moratorium of from ten to fifteen years before any actual transfers of money are called for from the Italian Government to the American Government. They also point with considerable emphasis to the fact that though France nominally recognizes her debt to the United States the French Government has so far failed to sign and French public opinion is strongly opposed to signing a debt settlement with the United States.

Mr. Rykov, the Prime Minister, told me, as of something which gave him astonished amusement, the fact that some American not long since called upon him and said in effect: "It is not your money we want so much as it is that we want you to acknowledge that you owe us the money." Mr. Rykov's view is that if Russia is willing to pay, then of what consequence is it that she is unwilling to "recognize" her obligation to pay! Certain it is that on this particular point there does not appear to be any twinge of conscience in the Russian Government's mind, and Radek, himself certainly one of the reddest of the Reds, told me categori-

cally that: "No one in Russia, outside of a few students, is to-day objecting to our paying the American debt."

2. With reference to the seizure of private property, the situation to the Russian mind is not quite so simple.

The Communists maintain that practically all property in Russia prior to the revolution was owned by about 200,000 landlords and members of the nobility. They claim that this property, principally land, was, in large measure, illegally acquired, that its owners frequently lived abroad and gave no attention to developing the welfare of the people they were exploiting, and that in general these 200,000 owners of property had practically forfeited all moral right to it. Thus, in seizing the property, they claim that no real injustice was done, even if there were a violation of traditional property rights. This action, they maintain, was universal in its application, and in seizing the property of Russian nationals it would have been impossible to make an exception in favor of foreign owners.

The same argument, they claim, applies measurably to the seizures incident to the nationalization of all industries. It would have been impossible to make a revolution effective but for such seizure and nationalization. One should not forget, they say, that this was a social revolution carried out according to the consistent plans laid down long before by Karl Marx. Revolution is revolution, and when a whole social system is being made over, exceptions cannot be made in favor of the relatively few foreigners whose traditional views make them feel that their property should be exempt from the conditions imposed upon all the

people of Russia. The Bolshevik view is that these seizures of property and nationalization of industry, while inflicting an immediate burden upon a relatively few, were in the long run intended for the "emancipation and the freedom of all"!

In this connection the Russians claim that they cannot quite understand our indignation at this action on their part in the light of the precedent they claim to have been set by the Emancipation Proclamation of President Lincoln, which "freed all the Southern slaves, violating very definite property rights and inflicting great and in many cases irretrievable burdens upon the slave holders, many of whom had paid in cash for the ownership of their slaves and who considered their possession as inalienable property rights secured by every precept of the American Constitution and of the common law." They say that the purpose of freeing the slaves was the very same as the purpose of the Bolshevik Government in seizing and nationalizing private property; namely, even though inflicting injury, hardship and injustice upon a few, to make "freedom and emancipation possible for all."

Such are the metaphysics of the Bolshevik mind on this subject. Having taken these steps, it is maintained that retreat is impossible without destroying another of the very fundamental bases of the revolution.

The amount of American property seized they regard, however, as so small that even though the property cannot be restored or the principle of the obligation to make compensation admitted, nevertheless as a measure of rapprochement between the two

countries the Russian Government is willing "to consider the problem on a business basis," and to make a payment to the American Government which may result in the owners of the seized American properties receiving compensation for their loss and at the same time save the Russian Government from performing an act which the Communist Party "would never agree upon as a matter of principle."

In private talks with official Bolsheviks, I learned that the hope of the Government is that in the case of the majority of foreign properties which have been seized the Government would be able to make "arrangements" with the previous owners in the form of concessions for doing business now, out of which the concessionaires may be able to earn sufficient profit to compensate them for their capital losses incident to the revolution.

Here again the Russian mind conceives that the American capitalist should view this situation realistically rather than logically, and that if he does so he will obtain his money back and that that fact should result in his complete satisfaction. Having thus freed itself of any feeling that the American business man who had previously put his money into Russia is under compulsion to suffer any permanent injustice or loss, the Bolshevik conscience thus considers itself entirely clear in relationship to any possible dishonesty which might be implied in the Russian Government's refusal to accede without negotiation to the second of the demands of the American Government.

3. With reference to the question of propaganda—the Russian Government maintains that as a Govern-

ment it is conducting no propaganda against any foreign country, least of all against America.

I mentioned to Mr. Rosengolz, lately the Russian chargé in London, the feeling of repulsion American people have against Bolshevik propaganda. He asked me to name a single objective act that the Russian Government or any of its agents had committed in America. My reply was:

"It is not a question of overt acts committed by your agents in America; the fact remains that we read constantly in the newspapers of officials of the Russian Government and men high in the Communist Party, which is admitted to control the Russian Government, urging the organization of American workingmen along with the 'proletariat' of other nations to destroy our system of government and our institutions, and to place in their stead a Social System which we regard as destructive of all that we, as a people, hold dear. We are not afraid of your propaganda or apprehensive that our institutions may be undermined, but our people regard such imprecations and adjurations as not those of officials of a friendly government."

The Bolshevik reply is that the Russian Government, as such, is engaged in its own affairs within its own country; that it neither finances, promotes, nor inspires foreign propaganda elsewhere. What may be done by individual Russians is not a matter within the control of the Soviet Government any more than is any action either of members of the American Federation of Labor or of officers of the National City Bank under the control of the American Government.

The Russian Government, Bolsheviks say, is a dis-

tinct thing. The fact that a large part of its personnel is nominated by the Communist Party does not give the Government control over what the Communist Party or its members may do either within Russia or outside of Russia. The Government, they claim, has no more control over the Communist Party as such than has the American Government control over the Republican Party, although everyone would acknowledge, so well-informed Russians say, that individual members of the American Government could influence the Republican Party, and that, at the present moment, the Republican Party has the controlling voice in the American Government.

Likewise, the Bolsheviks maintain that the Communist International is something wholly independent of both the Soviet Government and of the Russian Communist Party, in that the International, though having as its most influential element members of the Russian Communist Party, at the same time contains representation from most of the other important countries of the world, and that, therefore, the Russian Government cannot assume responsibility for its activities. Members of the Russian Government point out, also as to an item they consider significant, that the recent President of the Third International, Zinoviev, one of the principal creators and leaders of the Bolshevik Revolution, is to-day practically read out of the Communist Party, and wields no influence over the Soviet Government. Indeed, he is but a free lance newspaper writer in Moscow.

Official Russians say very frankly that if the Soviet Government is to be held responsible by the American

Government for the individual actions of either political parties in Russia or of organizations such as the Communist International, which may for their own reasons have their headquarters in Russia, any agreement is simply out of the question. They maintain, on the other hand, that the Government is prepared to bind its good faith in every possible manner in behalf of an undertaking that the Soviet Government will not engage either directly or indirectly in any propaganda within the United States or in any propaganda anywhere else directly against the Government or the institutions of the United States.

With these propositions clearly thought out in his mind, the official Russian cannot understand why the American Government is not willing to undertake negotiations with a view to an agreement upon a treaty which will facilitate business between the two countries and promote the welfare of them both. Furthermore, as one prominent Russian leader said to me, "You people in America seem to be apprehensive lest the Soviet Embassy in Washington should become a nest of Bolshevik propaganda. I don't believe that you need have any fear on that point, but even if such fear were justified, I wonder if your people have ever thought of the possible effect upon us of having an American ambassador at Moscow? Suppose you had an ambassador there of the type of Mr. Houghton in London, full of common sense and with a generally friendly attitude toward our people. He would have access to every officer of the Government officially, but, far more important, personally. When he saw our people doing things which he regarded as unwise or

imprudent, an ambassador of the type of Mr. Houghton could and would go to the proper officer of our Government and probably say to him: 'Look here, this won't do; my advice to you is to go very slowly along that line.' The effect of that upon our people would be impressive, just as was the influence exerted by Mr. Houghton himself upon the German Government in the earliest days of Mr. Houghton's ambassadorship in Berlin, when the readjustment of Germany to European life was so difficult and rendered so hard by the nationalistic chauvinism of so many members of the German Government and of German opinion generally. What I should like to see is an American ambassador in Moscow for his moderating effect upon us!"

"But," said I, "is not the English Mission there now?"

"Yes," said he, "but we pay no attention to England. England is not a European power; she is an Asiatic power, and her Asiatic empire is endangered. The United States is the only great country in the world whose interests do not impinge upon those of Russia at any point. I believe and our people have always believed in America and have always had a traditional friendliness for the American people. The ambassador from no other country would be or could be listened to at Moscow with the same friendliness, consideration and influence as an ambassador from the United States of America."

XXII

TRADE RELATIONS

CLEARLY the time has not yet arrived for the United States to recognize the Soviet Government. It would be neither politically possible nor practically wise. Probably even before there can be negotiations leading to that end, Russia should make an adjustment of her relations with France, and there should be a rapprochement with England. A country that cannot live in accord with its near neighbors can hardly expect an understanding with distant countries. And an agreement by Russia to subscribe to the three American conditions precedent to recognition will be essential just as Germany had to agree to the Fourteen Points before there could be an armistice.

The Soviet Foreign Office expresses great confidence in the belief that if negotiations with America are once begun, they will go forward inevitably to a successful conclusion. The Russians, even the Bolsheviks —and a distinct differentiation must often be made between the two, for the real Bolshevik is an internationalist rather than a patriot of any country—are distinctly friendly toward the United States and its people. I had the feeling while in Moscow that in spite of all the talk against capitalism, imperialism, etc., the

Russians are looking longingly to the United States for leadership out of the morass into which they have been led—led partly by events, partly by their leaders.

The Berlin correspondent of the *Manchester Guardian* expressed the situation in the issue of November 2, 1927, of that publication in these words:

> "The Russian Government itself has come to realize that its propaganda is entirely ineffectual except amongst Communists. The Russian Government is undoubtedly and perhaps desperately anxious to reëstablish a tolerable working relationship with the rest of the world. The collapse of its foreign policy is complete, and in no foreign field has it any prospect of success. All its paths are smothered and caked by the wreckage of its past policies and crusades except the path that leads to Geneva."

So inept indeed has the Bolshevik Government been in conducting its foreign political relations that there is not much reason to expect great progress in that direction in the near future. The procedure in establishing complete diplomatic relations is arduous, too. These are the steps that have to be taken:

(1) Preliminary and confidential negotiations to determine whether a basis for formal negotiations exists.

(2) Formal negotiations looking to the establishment of a definite basis for the conduct of trade relations.

(3) Establishment of a formal trading agreement which would not involve formal recognition.

(4) *De facto* or even *de jure* recognition followed by representation of the two respective Governments by

chargés d'affaires, but not involving complete treaty relations and the settlement of all disputes between the two countries.

(5) Full diplomatic relations under a comprehensive treaty covering all phases of international relationships.

The nations which have recognized Russia have reached various stages in the above progression. Germany alone has reached the fifth stage. France is in the fourth stage, where England was also up to the time of her recent break. Up to the time of the Macdonald agreement, England had reached only the third stage. America is not yet ready for the first.

Doing business with Russia involves peculiar responsibility upon any business house, because whether Russia has been "recognized" or not, all business must be done in effect with the Government. No one deals with individuals; one always deals with the Government, or with some arm of the Government. Thus, all business relationship between Russia and the outside world is with Russia herself. Any effort by an international firm to collect money in Russia can be made only through the Government and of the Government. The Government is, in effect, the sole buyer and the sole seller on behalf of Russia in foreign markets. The Government is the sole borrower and the sole creditor in international finance.

The relations of diplomacy, therefore, between Russia and the rest of the world resolve themselves primarily around questions of trade and credit. Certain it is that the chief ambition of the present Russian régime in its world's contacts is to obtain credits and to do business. World revolution, the ultimate ambi-

tion of Socialism throughout the world, is in the back of the Bolshevik mind, but more and more the government is realizing that the supreme problem is to obtain the capital with which to develop the industry and agriculture of Russia to-day.

The Soviet Government officially and nominally controls Russian industry and trade. The fact remains that the Soviet Government consists of a limited number of people who are busily engaged in politics, whereas the actual work of production in Russia must be done by the masses, who are no more inclined to Communism than are hard-working people of any other country. And the Government is coming to see that the safety of its own position will rest finally upon giving the people what they want rather than in merely giving the Communists what they want. Herein is the real issue between Stalin and Trotsky.

Mr. Lloyd George, addressing the British House of Commons May 25, 1920, thus described the situation, true then and true now:

"The fact is that the majority of the Russian people are more individualist than the people of this country. You have the paradox of a Communist government speaking in the name of an individualist population, where Communism is known as Export Beer!

"Whatever else the Russian leaders may be they are men of exceptional ability, and they are men with a knowledge of the outside world. However much they communicate this knowledge to their followers, they certainly know it for themselves. They know they are not going to get credit from the West upon the

basis of confiscation and repudiation of debt. They also know that Russia can never be restored until she gets credit."

With the foreign political relations of Russia so unsatisfactory, is it not possible that this road back to "normalcy" is going to be found through trade, and the inescapable conditions which sound trade imposes as precedent to its real progress, particularly as this government's political relations abroad are inextricably commingled with the policy of foreign trade monopoly?

What, then, is the present status of Russian commerce with the outstanding world?

Up to the time of the adoption of the New Economic Policy in 1921 there was hardly any foreign trade at all. The annual turn-over was a bare $100,000,000 in 1922-23. But for the fiscal year 1926-27 it had risen to some $800,000,000. Even that figure is only about half that of the Russian Empire in 1913. Allowance, of course, must be made for the fact that Russia since 1913 has lost Poland, Finland, Latvia, Esthonia and Lithuania, all important producing areas. But it is clear that the volume of foreign trade is still lamentably small compared with what it might be. The conditions which make it so remain substantially what they were as set forth in the Allied memorandum presented to the Russians at the Genoa Conference of 1920: "As soon as the feeling of security has been revived in Russia; that is to say, when the nationals of foreign countries have guaranties that they can resume their former industrial or commercial and agricultural undertakings, and start new ones, with the

certainty that their property and their rights will be respected and the fruits of their enterprise secured, then they will hasten to afford Russia the benefit of their technical knowledge, their work and their capital."

The Communist Party and the Third International are still shouting the old phrases: "Down with Capitalism!" "Down with Imperialism!" "Long live the Red Army!" I have, indeed, quoted elsewhere some rather startling utterances by some of the more important men. Generally, the fact appears to be that although many of the leaders in the Russian Government are still piously quoting from Communist scriptures, in their actual deeds they appear to adjust performance to reality; they are adapting policies to human nature, and they are finding that human nature insists upon living in an orderly manner, that the interests of Russia are fundamentally in peace, and that the best way to get results out of human beings individually is to allow them to enjoy the fruits of their toil.

Trade with England

That the important foreign powers are actively cultivating trade relations with Russia, altogether aside from any political considerations, is clear.

Although Great Britain denounced her trade agreement and severed diplomatic relations with Russia in May, 1927, Sir William Joynson-Hicks, Home Secretary in the British Cabinet, on July 29, 1927, specifically set on record the British Government view that trade should continue, in these words:

> "I write to express at once the views which are not only mine but are those of H. M. Government, that we do not desire to place any obstacle in the way of legitimate trade between the two countries. The action which we recently took in regard to certain Russians in this country—who were carrying on propaganda of a hostile character to the nation—did not and was not intended to apply to all Russians. I am quite willing to give any facilities that may be needed for Russians engaged in bona-fide trade or commerce to come over either to buy English products or to sell Russian products."

The remarkable fact is that since the break with Russia, England has bought more from Russia and sold less to her than before!

Just prior to the British break, a plan to extend a credit of $50,000,000 to Russia was reliably reported arranged. The Midland Bank of London and the Russian Trade Delegation contemplated orders being given in England for machinery and plant by the Soviet trading organizations up to an amount of £10,000,000. Any proposed contract that was to come under the arrangement was to be submitted for approval to the bank. The Russian trade organizations were obliged to fund, before delivery of the goods, a considerable part of the purchase price either in direct payment to the contractor, or by the placing of a deposit with the Midland Bank. For the balance, notes were to be given extending over a period of three years and six months. A deposit of a substantial percentage of the amount due on the bills was to be lodged with the Midland Bank by the Soviet organizations. A lien on the deposit was to be held by the bank as

long as the bills were outstanding. The bank undertook to discount these bills at the ordinary trade rate, retaining a right of recourse against the British contractor in the event of default on the part of the Soviet organizations.

France

It may safely be said that the chief reason why the crisis in Franco-Russian diplomatic relations in October, 1927, did not lead to a rupture was France's desire, first, to obtain some sort of recognition of the debts due the small French rentier, and, second, to develop trade between the two countries. There is, of course, a strong opinion in France that sound relations with Russia are impossible, and that the Russian demands for a loan antecedent to any agreement to pay off the Russian debt will be so great that adjustment will be out of the question.

In view of the general opinion among experts that the limits of France's own capacity to accept payments in kind from Germany under the Dawes Plan have now been reached, it is entirely conceivable that France might be willing to allow Russia to take 300,000,000 rubles worth of machinery from Germany for French account, upon the theory that France was in this way depriving herself of nothing and was possibly providing Russia with working capital value which would enable Russia to pay France—and particularly the French peasants—something at least on account of the defaulted Tsarist loans, which aggregated 12,000,000,000 gold francs. Indeed, there is a strong opinion

that, assuming Germany's capacity to meet the maximum annuities provided for in the Dawes Plan, the actual transfers can be made only across the foreign exchanges in the event that the markets of Russia could be opened up at once for the benefit of the Russian people and for account of the Allies, to whom the annuities are due.

Germany

Dr. Felix Deutsch, head of the A.E.G., considered one of the great commercial geniuses in Germany, recently pointed out that Europe now has more factories and is capable of a larger production than before the war; and in the meantime consuming power has diminished. He called attention to the fact that Europe has a population of 450,000,000, of which 146,000,000 Russians are large consumers and are also capable of producing raw materials for Europe. Russia needs European manufacturers; Europe needs Russian grain and raw materials.

The only plan to grant actual credit to Russia to run over a moderately long term, so far put into effect, has been devised by the German Government. Three hundred and sixty million marks ($90,000,000) were allocated to serve as credits against goods sold by German firms to Russia. The credits were to run from three to four years, the government money to represent 65 per cent and the manufacturers to take 35 per cent of the risk involved in extension of the credits. For a country the size of Russia, however, such a small credit is a mere bagatelle compared with the need.

Trade with the United States

The ban of the United States Government against trading with Russia was lifted in 1923. The Government advised that it was entirely proper for American firms to carry on such trade, but that the risk must be wholly that of the business concerns involved. Of course there are two views even among American business houses as to the desirability of promoting such trade. One view is that any such trade merely strengthens the hand of the Soviet Government and continues its undesirable existence a little longer, and that if the whole business world will maintain an economic boycott, the Bolshevik system will collapse. The other view is that the realities of the situation cannot be avoided, and that it is better to try to improve a bad situation than to sit idly by hoping against hope that what one wants to happen will happen. There is an arguable basis for both these views. One's conclusions are apt to be based upon one's beliefs as to how human psychology will act under certain possible conditions rather than upon any known facts. Many people have been predicting for ten years the imminent downfall of the Soviet Government, but all such prophecies have so far been belied.

American business through many of its largest enterprises has already taken hold of the problem of restoring normal relations with Russia through trade.

The American-Russian Chamber of Commerce has an office in Moscow, in charge of Colonel Charles H. Smith, an American engineer of long business experience. This bureau in Moscow, and the work of the

American-Russian Chamber of Commerce, is supported by a membership consisting, among others, of such American business concerns as: American Car & Foundry Company; Chase National Bank of New York; Dillon, Read & Company; Equitable Trust Company of New York; General Motors Corporation; General Electric Company; International Harvester Company; Remington Typewriter Company; Standard Oil Company of New York; U. S. Steel Products Company (U. S. Steel Corporation), and the Westinghouse Electric Company.

The Constitution and By-laws of the American-Russian Chamber of Commerce state its purposes to include (1) coöperation with all influential and responsible Russian or Russian-American organizations which may exist in Russia for the purpose of an interchange of such information as may be useful in the establishment of mutually beneficial and friendly relationships between the two countries; (2) aiding in the organization of Russian-American agencies for the purpose of assisting and financing direct business negotiations between the United States and Russia; (3) giving assistance in every possible manner to those Americans who may be interested in the development of the vast natural resources of the U.S.S.R.; (4) opening the field of the U.S.S.R. to American commodities, many of which are peculiarly adaptable to the uses of the U.S.S.R., and (5) assisting citizens and companies of the U.S.S.R. in initiating, developing and expanding their commercial and industrial enterprises in the United States.

American trade with Russia is growing rapidly. The

total amount of business done between the two countries in the (Soviet) fiscal year 1926-27 was about double the money value of the turnover of 1913.

The figures of annual exports and imports, according to Soviet customs statistics, follows:

	Exports to U. S.	*Imports from U. S.*
1913	$7,290,000	$40,730,000
1923-24	4,377,500	49,955,000
1924-25	14,471,500	103,618,000
1925-26	15,759,000	62,881,500
1926-27 (10 mos.)	8,652,000	55,568,500

(The Soviet fiscal year runs from October 1 to September 30.)

American-Soviet trade is carried on mainly by four organizations with offices in New York. These are: The Amtorg Trading Corporation, which represents most of the large Soviet syndicates; the All-Russian Textile Syndicate; Centrossoyus, trading agency for the Soviet consumer coöperatives, and Selskossoyus, trading agency for the agricultural coöperatives.

The Amtorg Corporation supplies the following data as to the present status of American-Soviet trade:

"The Amtorg Trading Corporation placed orders amounting to $26,325,186.07 during the year ended September 30, 1927. This is approximately double the amount of orders placed during the preceding year and considerably more than the amount placed in 1924-25 if we deduct the $21,500,000.00 purchase of flour (due to the famine). The orders for industrial equipment placed during the year just completed were several times larger than those placed during the preceding year.

"The total volume of orders placed here during last year by the Amtorg Trading Corporation, the All-Russian Syndicate, Centrossoyus-America, Inc., and Selskossoyus, Inc. America—the last two being representative of Soviet urban and agricultural coöperatives in the United States—was $72,631,378.38, which is a record figure for Soviet-American trade. Sales of Soviet-American organizations for the past year were $12,857,532.03—also a record figure.

"Since the beginning of trade between the United States and the U.S.S.R., orders placed by the above-mentioned organizations totaled $248,040,456.07 and sales to Russia amounted to $43,471,428.64.

"Imports of manganese ore from the U.S.S.R. into this country for the past five years amounted to over $13,000,000.00. Imports of furs by firms other than those mentioned above may be estimated at about $13,000,000.00 for the period. There were also some shipments to the Soviet Union by firms such as the Georgian Manganese Company and the Standard Oil Company of New York. These amounted to about $2,500,000.00 during the past three years. Adding all these figures together, we get a total of about $421,-000,000.00 representing Soviet-American trade. Approximately one-half of this amount is accounted for by shipments of cotton to the U.S.S.R."

The foregoing figures, indicating that Russia has bought from the United States in 1923-1927 inclusive, goods valued at approximately $312,752,000 and that the United States has bought from Russia values of about $50,458,000—a balance in our favor of some $262,000,000, constitute a significant commentary

upon the suggestion that in buying Russian goods we are providing funds for propaganda activities in the United States.

An interesting sidelight on how trade and economic considerations force their way through the barriers of politics is afforded by the fact that in the United States the Amtorg Corporation assumes the function of recommending American passport visaes to the Soviet Government; and in Moscow, the American Russian Chamber of Commerce undertakes a similar function on behalf of its members. The United States Government allows hundreds of representatives of Russian trading organizations, many of them directly representing their government itself, to live and work in the United States. Indeed it is easier for a Bolshevik business man to enter and remain in the United States than for an American to enter Russia.

Though the Russian Government is not "recognized" by the American Government, our own government is fully aware of the activities here of the Amtorg facilities. A significant illustration of this was afforded in an official communication addressed on July 27, 1927, by Edward T. Pickard, Chief of the Textile Division of the Department of Commerce, to the Boston office of the Department, containing this constructive suggestion to New England wool dealers:

> "On account of the severing of diplomatic relations between Russia and Great Britain, all of the Russian buying of wool and wool goods in the Bradford Market is discontinued. A press notice on this matter has been released and the information was also published in the *World's Wool Digest*

under date of July 15th, a copy of which is enclosed.

"This information may be of especial interest to Boston and Philadelphia wool dealers who may have on hand large stocks of foreign wools for sale. Should they desire to participate in the Russian Business, I desire to state that the firm of Amtorg Trading Corporation, of 165 Broadway, New York City, who have for sale all the Russian Syndicate products in the United States, and who do all the purchasing for the Syndicate in this country, may be addressed directly regarding further wool purchases."

The data given above represent very feeble beginnings of world trade with Russia on any large scale. They but suggest the boundless possibilities of a new Russia, freed from the shackles of a hopeless social and economic system, freed forever from the feudalism and tyranny of the Tsars, adjusted soundly to a world which wants to be Russia's friend.

XXIII

A WORLD DILEMMA

HE who would dogmatize concerning Russia is indeed bold. The riddle was summed up by Dr. Schacht, President of the Reichsbank in Berlin, who, in conversation with me just before I went into Russia, said: "Russia is a problem in psychology."

Russia is certainly a country of contrasts and contradictions. One cannot be there long without realizing that in any attempt to appraise the strength of tendencies in Russia one must bring to his rescue a sense of proportion, some sense of philosophic humor. If one takes seriously and literally everything that is said and done in Russia, the situation appears perfectly hopeless.

On the other hand, one is confronted constantly with the thought that the Russians are a very lovable people. There are many individual Russians and indeed groups of them who are not so lovable. The people have been through terrible afflictions. No matter who or what may be the cause of their present difficulties, certain it is that the mass of the people themselves are the chief sufferers. They are human beings, 146,000,000 of them, and it was Edmund Burke who said: "You cannot indict a people."

My general impressions of Russia might be expressed under the following three headings:

1. The present Soviet régime in Russia is there to stay. No signs of political instability are visible, and I gathered from any of the information I was able to obtain, no apprehension or suggestion of instability.

Active members of the late conservative class have all been killed, expatriated or are in voluntary exile. Any movement from below the Government might develop anarchy.

2. The situation is changing daily almost before one's very eyes. Theories are being tested by facts and purposes are being subjected to the acid tests of results. The great mass of the people—and Russia should be thought of as a mass more than as a collection of individuals—is slowly waking up from the long sleep imposed upon it by a thousand years of repression, oppression, ignorance and backwardness.

The titanic forces let loose by the Reformation, and later by the French Revolution in Europe, passed over Russia without influencing it. Russia, though dressed in some of the garments of the twentieth century, is in its mental, spiritual and political state very much where Western Europe was in the sixteenth century. The task of the new Russia is to arouse itself from its age-long slumber and to emerge into proper relationship with a post-war age.

3. The tendency of conditions is toward the establishment of Capitalism—and away from Communism and Socialism. In the first hours of her national awakening, after the destruction of Tsarism, the Russian people were fed on a breakfast which revolutionary

cooks had been preparing for many years. It was a diet derived from Karl Marx's cookbook, but which had never been subjected to the actual test of human digestion.

Even the chief cook, Lenin himself, soon realized that such a diet did not point the way to national life. To be sure, Lenin maintained that ultimately the diet of Bolshevism might—through a "world revolution"—constitute the salvation of all nations, but Lenin was forced to write a New Economic Policy for the Russian people. It was distinctly a capitalistic meal which constituted the luncheon of the first day of the Bolshevik régime. The dinner promises to be very much the same kind of food upon which all other nations have based their health and prosperity.

Dealing with Human Nature

Irrepressible elements in human nature are factors with which the Russian Government has to deal. They are factors which sweep aside the theories and resolutions of the Communist Party and even the decrees of the Bolshevik Government.

Russian human nature is exactly like all other human nature, and economic law which is a mere expression of human nature is as resistless as the tides. The Russian people as a whole are slowly adjusting themselves to the same conditions which prevail in the rest of the world. Those conditions, in so far as they are successful anywhere, are based upon the recognition of the rights of private property and the necessity of giving the largest amount of personal freedom to the individual human being.

My own feeling in coming out of Russia was that I wished that every radical-thinking man in the world could visit Russia and see what it was like. A dead level of mediocrity and stagnation is what one finds there as the outstanding characteristic of the Bolshevik régime. Nor could I wish for any better fortune for the Russian people themselves than to have an opportunity to be transported to Western Europe or the United States. Western civilization undoubtedly has its faults and its weaknesses, but there can be no question that the people are happier and that the standard of living of the average man is far higher than is the case in Russia. If Russia could but see!

What Russia Must Do

Russia will never gain the confidence and support of mankind until, in her external relationships, she does these things:

First: Establishes a reputation for good faith, and a desire to comply with every international obligation, no matter if that obligation is toward the capitalist world.

Second: Takes all possible steps to remove from within her borders any organization which seeks to upset the institutions of friendly nations through violence. No one can object to arguments or to new light which may be shed upon the problems of mankind, but to bring about reform through violence is a negation of everything that civilization stands for. No subterfuge can evade this.

These two obligations toward the rest of the world Russia must recognize if she is to gain the coöperation

of mankind. And while Western nations would not in any way interfere with the internal affairs of Russia, those in power in Russia must realize that the Soviet Government can never enjoy the complete respect of enlightened civilization until within its own borders it does these things:

First: Establishes real freedom of thought, action, and belief;

Second: Establishes a system of justice based upon such fundamental principles as the Magna Charta and the Bill of Rights, principles which are inherent in the very nature of liberty itself.

What the Soviet Government may do with respect to its monopoly of foreign trade, its industries, its labor unions, and its internal economy generally, concerns only the Government and the Russian people themselves, but those other items represent moral propositions of which Russia must take due note if she is to exercise what Thomas Jefferson described as "a decent respect for the opinion of mankind."

The Enemy of Mankind

The Russians as a people are all right. The great enemy of mankind is the Communist International. The supreme problem is how to drive a wedge between the Communist International and the Russian people so that the people themselves will come to feel that they want none of the International or its works.

How would human nature react if the Russian people, instead of having to live on starvation wages, were able to earn enough to amass a little property? Would

they want to hold on to that property or would they want to give it up?

How has Bolshevism been virtually killed in the United States? Has it not been done by producing such a state of prosperity that everybody is at work at high wages, everyone has a chance to own some property and, having owned that property, does not want to give it up?

How has extreme radicalism been driven out of the United States Steel Corporation? Has it not been done by making the workers stockholders and self-respecting property-owning citizens of the country? Is there not a law of biology upon which many physicians base their practice of medicine; namely, that the purpose of medicine is to build up the body so that the body may fight off disease?

Russia is afflicted with a serious disease, one which has permeated malignantly that portion of the Russian population which is included within the Communist Party. But that fragment of the population is small in numbers. The disease has not yet permeated the great body of peasants who till the land and in whom rests the future of Russia. The peasants under the Tsar were practically serfs, but to-day they have their land; they get paid for what they produce. They are willing, therefore, to let the Bolsheviks run the Government, but it will be a sad day for mankind if the peasants should become infected with the bacillus of Bolshevism. That cannot be prevented by arms or guns. The most effective method of prevention, as someone stated to be the best cure for grief, is to be

found in "the expulsive power of a new affection." That new "affection," for the people as a whole, can be found in the opportunity to own and enjoy the results of their toil, to taste the joys of high wages, comfortable incomes, and the possibilities of possessing property. Once the Russian people—and particularly the Russian peasants—have tasted these delights, all the Bolshevik theories in the world will, through the sheer action of innate human nature, perish from the face of the landscape. The law of nature is stronger than any social theory.

No literature, no propaganda of words on subjects like this could ever reach the Russian people or be effective with them. Nothing but experience can teach these lessons or carry this message. The real problem, therefore, is how to give the Russian people this experience.

Trotsky quite frankly stated the dilemma which faces the Socialist world: It must produce more cheaply or go down. Can the world of capitalism wisely accept Trotsky's challenge and show the people of Russia that capitalism can, does, and will produce more cheaply and effectively than any form of Socialism?

Clearly, it is not for the United States or any other Western country to promote "propaganda" in Russia. The Russian people are entitled to do as they like, unmolested by us. But is not the supreme propaganda the propaganda of deeds rather than words? And is it not possible that Western civilization is called upon in the case of Russia to make the greatest experiment in faith in human nature in all history?

We have often heard serious-minded youths assert with great earnestness: "I shall never marry!" But our knowledge of human nature makes us smile, for, let the right boy or girl appear, and we know what will happen. When Faust had a vision of Marguerite from his dismal study, he was ready at once to go forth into a new world and seek new joys. Are we not able thus with considerable confidence to assert that what the average Russian needs is but the vision of even a little possible prosperity? Doesn't our own knowledge of human nature give some assurance as to what will happen?

Have the possibilities of trade relations, of banking, of commercial contacts with Russia been explored and developed to the limit? Isolation has been tried, armed intervention by other nations has been tried. These have not cured the Bolshevik disease. What is left? Russia is there; her people are there. She will be either a good neighbor or a bad neighbor to civilization.

Politics has played its hand. The question is: Can trade with Russia on sound business principles save her?

The Russians say they want foreign capital, but they want it in order to build up a Socialist State, feeling that with it they will be able to consolidate their forces and make the people want a continuance of Socialism. On the contrary, the Western world, while opposing Socialism, does want the Russian people to be happy, prosperous, well organized, good neighbors; it wants to coöperate with every factor that will lead in that direction. It wants that not merely for the benefit of the

Russians, in whom interest is secondary, but in order to restore a healthy world as a whole.

Such is the dilemma which faces civilization. The problem is: How to draw Russia toward the West, cure the disease of Bolshevism, avert the menace of a revolutionary Asia.

In an address at Turin, Italy, just after the war, President Woodrow Wilson remarked: "The men who do the business of the world now shape the destinies of the world." Russia is the supreme challenge to the business statesmanship of the world!

APPENDIX

Full text of the cable sent by President Wilson to the All-Russian Congress of Soviets at Moscow, March 14-16, 1918. See reference on page 171.

> May I not take advantage of the meeting of the Congress of the Soviets to express the sincere sympathy which the people of the United States feel for the Russian people at this moment when the German power has been thrust in to interrupt and turn back the whole struggle for freedom and substitute the wishes of Germany for the purpose of the people of Russia?
>
> Although the government of the United States is, unhappily, not now in a position to render the direct and effective aid it would wish to render, I beg to assure the people of Russia through the Congress that it will avail itself of every opportunity to secure for Russia once more complete sovereignty and independence in her own affairs, and full restoration to her great rôle in the life of Europe and the modern world.
>
> The whole heart of the people of the United States is with the people of Russia in the attempt to free themselves forever from autocratic government and become the masters of their own life.
>
> WOODROW WILSON.
>
> Washington, March 11, 1918.

Full text of the cable sent by Samuel Gompers, President of the American Federation of Labor, to the

All-Russian Congress of Soviets, March 14-16, 1918. See reference on page 171.

To the All-Russian Soviet, Moscow:

We address you in the name of world liberty. We assure you that the people of the United States are pained by every blow at Russian freedom, as they would be by a blow at their own. The American people desire to be of service to the Russian people in their struggle to safeguard freedom and realize its opportunities. We desire to be informed as to how we may help.

We speak for a great organized movement of working people who are devoted to the cause of freedom and the ideals of democracy. We assure you that the whole American Nation ardently desires to be helpful to Russia and awaits with eagerness an indication from Russia as to how help may most effectively be extended.

To all those who strive for freedom we say: Courage! Justice must triumph if all free people stand united against autocracy! We await your suggestions.

American Alliance for Labor and Democracy,
SAMUEL GOMPERS, *President.*